

EIR

Executive Intelligence Review

July 24, 1984 • Vol. 11 No. 28

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Executive Intelligence Review (ISSN 0273-6314) is published weekly (50 issues) except for the second week of July and first week of January by New Solidarity International Press Service 304 W. 58th Street, New York, N.Y. 10019 (212) 247-8820.

In Europe: Executive Intelligence Review Nachrichtenagentur GmbH, Postfach 2308, Dotzheimerstrasse 164, 62 Wiesbaden, Tel: (06121) 44-90-31. Executive Directors: Anno Hellenbroich, Michael Liebig

In Mexico: EIR, Francisco Díaz Covarrubias 54 A-3 Colonia San Rafael, Mexico DF. Tel: 592-0424.

Japan subscription sales: O.T.O. Research Corporation, Takeuchi Bldg., 1-34-12 Takatanobaba, Shinjuku-Ku, Tokyo 160. Tel: (03) 208-7821.

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EIR

From the Managing Editor

This week's cover story exposes the hideous truth about the Chinese "population control" program so heavily promoted as a model by the World Bank, the United Nations, the International Monetary Fund, etc. This *Special Report* illustrates prima facie what "one world government" and the destruction of nation-states means in practice. Author Linda Cellini is secretary of the U.S. branch of the international Club of Life, the one organization fighting the genocide lobby with a positive program: a new world monetary system to promote economic development and its essential complement—world population growth.

"Population control" is not intended solely for "Third World" areas. Next week, we will publish a report by Contributing Editor Christopher White, based on his more complete study for *EIR's* Quarterly Economic Report (\$1,000; \$500 to subscribers), on the demographic devastation suffered by the United States under the "post-industrial" policies of the past decade and a half.

We also call attention to the following:

- The latest Department of Agriculture figures on farm income, as reported in this week's *Agriculture* column, show a 12-year low—exactly the decline forecast by *EIR*, and *EIR* alone; the USDA now admits that its own, more optimistic forecast was way off the mark.

- Right after last week's cover story, "The sleaze factor in the Democratic Party," news comes that Charles Manatt, who personally vowed to exclude the LaRouche faction from the party, has been ousted as national Democratic chairman. *EIR* has been demanding his ouster for four years—for reasons detailed last week, and implicitly elaborated upon in this week's *National* lead story, "The Democratic platform betrays KGB script."

This week's *Science and Technology* feature by Dr. Ned Rosinsky answers the many questions we received on non-linear spectroscopy after Lyndon H. LaRouche raised the importance of this scientific field on a national television broadcast on March 26.

Finally, in an appropriate follow-up to last week's report on the founding of the Schiller Institute, we feature a shocking interview with comparative law specialist Lennart Hane of Sweden: The Soviet Union is effectively taking over Scandinavia, not with troops, but with "sociology."

Vin Berg

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Fed chairman Volcker is pulling liquidity into the U.S. banking system by provoking new flight capital into the dollar from Europe and Japan. This not only gives Europe a gigantic shove toward an "independent" monetary system, i.e., economic dependency on the Soviets, but what some view as Volcker's "panic dollar rise" could quickly be followed by a panic dollar fall.

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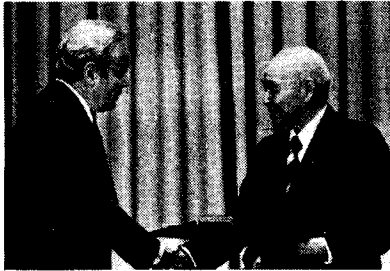
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Special Report



UN Photo/Yutaka Nagata

United Nations Secretary-General Javier Perez de Cuellar (left) presents the 1983 U.N. Population Award to Qian Xinzhong, Minister in Charge of the State Planning Commission of the People's Republic of China, on Sept. 30, 1983. China's population control program, which has resulted in forced abortion and sterilization as well as widespread infanticide, is being funded and promoted by the U.N. as a model for the rest of the developing sector.

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On the eve of the World Population Conference in Mexico City in August, the advocates of zero population growth are holding up China's brutal population-control policy as the model for the rest of the developing sector. A report by Linda Cellini.

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Dollar's surge prepares a new financial blowout

by David Goldman

Fed chairman Paul Volcker is pulling liquidity into the strained American banking system by provoking yet another round of flight capital into the dollar from Western Europe and Japan, according to well-placed British financial sources. This has provoked an immediate crisis in Britain and a simmering crisis in the rest of Europe. Political consequences could be disastrous: Volcker has given Europe a gigantic shove in the direction of an "independent" European monetary system, i.e., economic dependency on the Soviets. The British believe that Volcker has set in motion a panic dollar rise, to be followed by a panic dollar fall.

At the same time, the related surge in short-term U.S. interest rates is a powerful demonstration to the Ibero-American debtors that their joint action last month at the historic Cartagena meeting represents the only way out of collective disaster. Volcker has not merely abandoned various half-baked schemes to mollify the debtors (through token interest-rate reductions), but provoked them in the most poignant imaginable way. On July 9, Colombian President Belisario Betancur denounced the recent interest rate rise as "folly" and warned of the international political consequences of the present monetary development.

The dollar last week reached record high levels against most European currencies, including the British pound and Italian lira, and also reached a 10-year peak against the West German mark. European finance ministers meeting July 9 in Brussels warned against the impact of the rising dollar and rising interest rates on the European economies, as well as the Third World debt crisis.

British banks lifted their base lending rate (prime rate) by

a whopping 2% on July 12, one week after another increase, in order to decelerate the precipitous drop of the pound, which has sunk to the new historical low of \$1.30. Aside from the acute embarrassment for British Prime Minister Margaret Thatcher, who predicted rate stability only July 11, the pound collapse reflects the hurricane of currencies rushing into dollar assets to reap benefits from the dollar's strength and high paper returns.

"Today was one of the most hectic in memory," a London broker said at the height of the dollar's rise on July 11. "We are reaching the limits of the elasticity of European currencies with respect to the dollar: we should expect dramatic events in the next days, sterling is only the first victim." However, the West German Bundesbank failed to follow the British in raising interest rates at its July 12 meeting. The German mark nonetheless recovered slightly on July 13.

Volcker finances America's deficits

What galls the Europeans above all is the Federal Reserve's role in the dollar's rise, i.e., that Paul Volcker has determined to continue precisely the policy denounced as unacceptable by the June conferences of the Bank for International Settlements and the Organization for Economic Cooperation and Development: financing America's Federal budget and current-account deficits on the foreign exchange market.

"The reason why Paul Volcker, the Fed, and the Treasury are letting U.S. interest rates go up and up and up is that it is the best, easiest, cheapest way of funding the liabilities of American banks which are not being paid by Third World

debtors. High interest rates suck in billions of dollars which the banks can use. The only other alternative would be for the Fed to print money massively itself—they might do that, but only later,” a City of London financier explained, commenting upon the market roller-coaster of the first weeks of July.

“Volcker is playing tough. He’s keeping up the pain for much longer than other market participants—including the Bank of England—expected or can afford,” the banker concluded.

Another British banker said, “The U.S. has simply decided that the only way to live with the deficit is to have somebody else finance it—that means the rest of the world. This will allow U.S. banks to survive. The Fed and the Treasury are in a corner and they are doing whatever they can think of to get out of it . . . we’re going to have to say very harsh things about the U.S. policy.”

“The question is whether Europe will say *no* and take counter measures: a two-tier market, an interest equalization tax . . . something nasty which will drive the dollar down, U.S. rates up, and create a monstrously impossible situation for the U.S. Secretary of the Treasury.”

As *EIR* demonstrated in its *Quarterly Economic Report* released in June, the so-called economic recovery is largely a result of statistic invention; the margin of improvement in industrial output, less than half of what the Federal Reserve says it is, depends on a subsidy to the U.S. economy from the rest of the world, largely from Asia and Ibero-America. America’s \$150 billion trade deficit represents, adjusting for the overvalued dollar, close to \$240 billion in “free goods” from the rest of the world at current U.S. prices. These “free goods” include a \$30 billion subsidy of capital goods, and a \$50 billion subsidy of semi-manufactures for U.S. industry.

Volcker has turned America from a net creditor into a net debtor nation in order to obtain this subsidy, and the resulting illusion of recovery. But the price is a global financial crisis, especially a crisis for American banks, who have had to finance the trade deficit by borrowing on the Eurodollar market. The rebound of a dollar crash upon the American economy will, therefore, be disastrous; a projection contained in *EIR*’s report, prepared with the LaRouche-Riemann computer model of the U.S. economy, shows that 1985 will look much like 1982.

Dollar’s weakness provokes dollar rise

Despite the sharp upward movement in dollar rates, there is no great movement towards the dollar by investors. A collapse of dollar availability, brought on by a worsening international banking crisis, rather than a rise in dollar demand, generated the shift of the dollar exchange rate. The dollar fell on July 13, for the first time in the week of July 9, largely because traders had no intention of accumulating excess dollar balances once they had covered payment requirements in dollars. Some foreign exchange traders argue that this demonstrates that there is no underlying strength in

the dollar whatever, and that a turnaround is possible at virtually any moment.

The London interbank rate for six-month money, the benchmark rate for international lending, is at 12.75, the highest in two years. This is what British banking sources describe as a “prohibitive rate,” i.e., one that prevents borrowing.

American banks, meanwhile, have been scourged from London and must fund themselves, to a rising extent, in their own interbank market, pushing domestic rates up towards the “prohibitive” rates charged in the offshore market.

Under the circumstances, a large number of dollar debtors, especially in Western Europe, must liquidate their own currencies to obtain dollars required for interest payments, rather than pay the prohibitive rate to borrow dollars. The worsening liquidity squeeze is very good for the dollar’s short-term performance and very bad for the continued existence of the American banking system.

The continuing deterioration of Continental Illinois’s position is the most dramatic public evidence of the worsening crisis; the stricken bank almost doubled its borrowings from the Federal Reserve during the week of July 2, to a total of \$4.39 billion, and borrowed an additional \$2 billion from the 26-bank rescue consortium. Close to half of Conti’s deposits now represent borrowings from the rescue operation.

Banks outside the United States are also suffering terrible funding problems at present. “Illiquidity is breaking out all over the place on the Euromarkets,” a London source reported. There is a gigantic 0.5% “spread” between the cost of selling certificates of deposits between major triple-A banks and the others—the latter category includes Chase, Citibank, the big British banks, and so forth.

A further negative for Eurodollar market liquidity may be a drop in oil prices, forcing additional liquidation of now-shrinking petrodollar balances at international banks. The Soviets are reportedly dumping oil on the market, putting pressure on already-soft oil prices, according to sources at the Vienna OPEC meeting, and Iran is discounting light crude to only \$25-26 per barrel.

In this context, the rise of the dollar and the collapse of the gold price is not surprising.

For obvious political reasons, the Federal Reserve does not want to open the monetary floodgates quite yet; this would be to admit that the banking crisis is out of control.

Ranking advisers to the Reagan campaign now fear that a monetary blowout could either prevent Reagan’s re-election, or “Hooverize” the new administration such that the Republicans might not regain office for the next 20 years. A national-security evaluation is circulating at the White House—but not acted upon—that Moscow’s “grand strategic calculation” is a monetary crisis that would destroy America’s ability to finance its defense budget.

Well-placed European financial sources report steady Soviet accumulation of European currencies, in anticipation of a dollar blowout during September or October.

Bankers greet debtors' club with coup threats, blackmail, terrorism

by Valerie Rush

Coup attempts, assassination threats, blackmail, and a new narco-terrorist offensive have been some of the responses of the world banking elite to last month's formation of the long-awaited Ibero-American debtors' club. From Argentina to Colombia, Venezuela to Peru, each government has been delivered its warning: Put down the debt bomb and submit to our dictates . . . or we will bury you!

Ibero-America is thus faced with an inescapable necessity: a race against time to forge effective weapons of economic integration and political solidarity which can immobilize its enemies before those enemies destroy it.

Exemplary is the case of Colombia, where the continent's failure to move fast enough and hard enough to construct a common anti-drug defense capability with muscle has left that country as well as its weaker neighbors Peru and Bolivia vulnerable to the continued assaults of Dope, Inc. and therefore to the dictates of the drug mob's senior partners, the international usurers determined to collect their debt at all costs.

Dope Inc. 'goes legit'

Just two months after the Colombian dope mafia was forced to flee a nationwide police dragnet following the brutal April 30 mob slaying of Justice Minister Rodrigo Lara Bonilla, Colombians were stunned to learn that the same dope mob had just offered the President a deal whereby it would repatriate over 3 billion "narco-dollars" stashed in Swiss and offshore bank accounts and dismantle its trafficking operations in return for immunity from extradition to the United States and "a fair shake" from the Colombian legal system.

The mafia's letter to the President, delivered through the mediation of former President Alfonso López Michelsen and the present Attorney General Carlos Jiménez Gómez, urges President Betancur to "consider the possibility of [our] reincorporation into Colombian society in the near future so that we can fully enjoy her as decent people, as citizens. . . We also believe that, within the intelligent, generous, and tenacious effort that your government is carrying out in the search for peace and well-being of the citizenry, our unilateral statement is a link . . . that completes the chain of achievements

of your nearly two-year-old administration."

Newly-appointed Justice Minister Parejo González immediately denounced the offer as reprehensible and swore that he personally would never negotiate with criminals. The Catholic Church issued a strong statement demanding that the cocaine mafia face the fullest punishment of the law. Senators and deputies from across the political spectrum publicly rejected the idea of negotiating with the murderers of Lara Bonilla. President Betancur, while issuing no public statement on the letter, nonetheless responded by calling on Interpol to assist Colombian law enforcement in apprehending its authors.

Nonetheless, the mafia offer is being defended by an array of anti-government "citizens above suspicion" whose connections to the drug mafia have been elaborated in past *EIR* coverage. By deliberately blurring the distinctions between the government's morality and that of the drug traffickers, these forces hope to both undermine the Betancur government's credibility and build a fascist capability among desperate layers of the population to use as a battering ram against the presidency.

Noted Colombian folk hero and Nobel Prize author Gabriel García Márquez, for example, has gone unabashedly public in defense of the mafia offer. "What the drug traffickers are proposing is unconditional surrender which should be seen as a triumph of Colombian justice. I believe it is less immoral to accept the mafia's surrender than to destroy the Sierra Nevada [mountains] with poisons while trying to get rid of marijuana."

García Márquez was referring to the fact that the Colombian government has just begun its first aerial herbicide spraying program against the country's vast marijuana plantations. The Nobel laureate and his "ecologist" friends have mobilized the Indian populations of the Sierra Nevada into mass protests against the government's anti-drug herbicide program.

In case one should be deluded into thinking that García Márquez is just an ingenuous nature lover, note the following from a recent interview the novelist granted to the New York City porno rag *The Village Voice*: "The drug trade is a means

of self-defense in a country like Colombia, where no one is going to let themselves die of hunger. . . . Some may write novels or make movies, others may traffic in drugs or become presidents of the Republic. . . . Drugs are a reality and some day they will be viewed objectively." And, in the best tradition of the *Wall Street Journal*, García Márquez added that the drug trade has provided Colombia with vital "breathing space" which has kept her from sharing the worse economic crises of her neighbors.

García Márquez's sentiments have been echoed in the pages of the daily *El Tiempo*, owned by the oligarchical Santos family and representing the political machine of former President López Michelsen. According to a column written by Ernesto Santos Calderón, the young "leftist" son of the Santos empire, "A government so in favor of peace and national reconciliation has nothing to lose by listening to what a powerful underground business interest has to say. . . . The unique capacity of Colombians for dialogue . . . is a quality which, while sometimes appearing scandalous or a defect, is something we should never lose."

El Tiempo was also the newspaper which cried buckets of tears over the fate of the private zoological parks expropriated by government forces during raids on the vast estates of that "powerful underground business interest" following the assassination of Lara Bonilla.

Enter the 'Kissinger factor'

The crisis currently shaking Peru is exemplary of what awaits Colombia, and the rest of the continent, if it loses to the financial oligarchy. Ravaged by an escalating terrorist drive and debilitating economic crisis, Peru has been especially targeted for destabilization to the point where coup rumors are insistently circulating.

The government's refusal to join forces with the debtors' club strategy has only intensified that country's vulnerability. Last week, for example, under pressure of the International Monetary Fund, the Peruvian government authorized the creation of Swiss-styled anonymous bank accounts within the domestic banking system whereby deposits in soles can now be made, no questions asked. Such a move serves as de facto legalization of the drug trade and can only strengthen the hand of the very forces inside Peru which are financing the terrorists and fostering a coup environment.

In recent weeks, the terrorist Sendero Luminoso gang has tremendously accelerated its bloody rampages. Although normally based in rural regions of the country, Sendero has announced a plan to "take Lima" by cutting it off, Pol Pot-style, from all transportation and supply routes and literally strangling it into submission. The plan is said to be in its third and final stage and, in fact, Sendero assaults on schools, food warehouses, electrical towers, police stations, and villages are now occurring in southern Lima province.

By not-so-strange coincidence. Luigi Einaudi—noted

Kissinger operative and author of a Rand Corporation scenario for regional warfare in South America—arrived in Lima three weeks ago as part of a so-called "debt survey" the State Department adviser is conducting in the aftermath of the Cartagena debtors summit. Einaudi, an expert in Ibero-American military affairs, is well known in Peru for his involvement in the 1975 coup which wiped out all vestiges of military nationalism from the Peruvian government. During his June visit, Einaudi met with a "select group" from the Institute of Peruvian Studies, a think-tank of anthropologists and sociologists which has been identified as a spawning ground of the Sendero Luminoso terrorists.

Calls for a "stronger hand" against the Sendero insurgents from all quarters prompted the government on July 9 to announce a second 30-day "state of emergency," putting all southern Peru under de facto military control. The situation continues to be chaotic, however, and latest reports are that terrorists from other parts of the world are augmenting the Sendero commando forces.

A restive military

Argentina's warning from the international financial oligarchy arrived in uniform, when a localized military uprising in the industrial city of Córdoba forced President Alfonsín to initiate a purge in the upper ranks of the military command. The situation is hardly resolved, however, and tensions between the military hierarchy and the Radical government are being heightened by human rights exposés placing blame for the 1970s "dirty war" at the doorstep of the Armed Forces.

Bolivia and the Dominican Republic are in similarly tense situations, where fierce austerity conditionalities have driven those countries to the point of explosion. Bolivia, which just survived a near-coup against the Siles Zuazo government orchestrated by that country's cocaine mob, is cut off from international credit and facing starvation conditions. Informed observers fear that other coup attempts will be made. In the Dominican Republic, the entire country is in a state of alert in anticipation of an imminent 50-270% increase in the price of fuel which is expected to trigger new and bloody riots. "Nuisance arrests" of labor, student and left political leaders have been ordered by the government in hope of suppressing the protests.

Not even Venezuela has been ignored. Justice Minister Manzo González revealed this week that, during a recent visit to El Paso, Texas, he received warnings from U.S. government intelligence sources that he had been targeted for assassination by powerful South American drug criminals. Manzo offered a press conference upon his return to Caracas, at which he informed reporters that the assassination plot had begun with the murder of his Colombian colleague Lara Bonilla, and was intended to also include Bolivian President Siles Zuazo as well as all other Ibero-American signators of the International Treaty Against the Drug Trade.

Belgrade squeezed by Russia and the IMF

by Christopher White

As part of their overall confrontationist policies of carrot and stick, the Russian leadership has recently begun to put the screws on Yugoslavia. Economic measures, including rejection of certain categories of imports from Yugoslavia on grounds that the quality is "not good enough," and the cancellation of all tourism into the country, combine with a resurgence of ethnic and separatist activity, to demonstrate that Yugoslavia is on the list of nations to be incorporated into the expanding sphere of Russian imperial suzerainty.

This threat has not gone unnoticed in the United States where Yugoslavia ranks high on the list of those nations considered to be gravely threatened by the Russian expansionist drive. This year's Hilex-84 NATO staff exercise, for example, included a Soviet thrust into Yugoslavia among the contingencies studied.

Though such a threat is no doubt real, in this case we are again faced with the fundamental insanity in Western policymaking. Yugoslavia provides a prime case study of how U.S. and Western government insistence on maintaining the genocidal conditionalities policies of the International Monetary Fund (IMF) aggravates areas of crisis internationally, while contributing to the accelerated growth of Soviet strategic influence. What is happening in non-aligned Yugoslavia today is also happening for example in the Federal Republic of Germany. Our intention to defend allies and neutrals is rendered impotent and ridiculous by our adherence to those financial and economic policies which make those intentions absurd.

At the end of March, Yugoslavia concluded an "agreement" with the IMF, 14 western nations, Kuwait, and Japan for a \$500 million stand-by credit, and deferral of payment on \$800 million in credits coming due for repayment during the course of 1984. The government agreement paralleled a refinancing agreement covering \$1.2 billion concluded with private banks shortly before.

Under the terms of these agreements the Yugoslavs committed themselves to increase internal interest rates above the

level of inflation (over 50%) during the course of this year, to end their internal price freeze from the end of April, and to devalue their currency, the dinar, to improve "competitiveness" in international markets.

Western officials gloated at the time the agreements were concluded that Yugoslavia would thus be forced to permit large-scale bankruptcies among business operations that could no longer keep going under these circumstances. By the middle of June, as the Soviets unleashed their round of economic warfare pressure tactics, the agreement worked out with the IMF had begun to run into problems, because, not surprisingly, the government could not get the population to go along, and had begun to rescind IMF-mandated price increases. This led to complaints from such international representatives of financial orthodoxy as the London *Economist*, which on June 30 sniped viciously that Yugoslavia "is reluctant to face up to the job losses without which, senior economic officials admit, productivity cannot be increased. Yugoslavia's public sector could, on one reckoning, work more efficiently if its 6 million or so labor force were cut by 30%. Job losses on that scale, however, would sharply push up unemployment. This is already bad enough with some 930,000 people out of work. . . ."

Belgrade aggravated by IMF policies

Among the prices which the IMF agreement mandated for increase was oil and refined oil products, which had begun to be implemented by the beginning of June. Since Yugoslavia imports most of its oil, the price of the product is also tied to the dinar exchange rate, which the IMF insisted be devalued. But the Soviet Union supplies more than half of Yugoslavia's 10 million tons of annual crude oil imports.

Oil is not the only area where the Russians benefited directly from IMF policy. Yugoslav chemical complexes are now producing for export to the Soviet Union, replacing traditional Western suppliers, and terms of trade for the Soviets have been improved in terms of Yugoslav exports of food.

The government is thus caught between a rock and a hard place: shut off from access to Western markets, forced east, and threatened internally by the political instabilities which are aggravated by IMF policies. On July 2, the presidium of the Yugoslav trade union organization demanded that the downward trend in the country's standard of living, evident in 50% inflation and purchasing power reduced to the level of 1969, be halted.

This is the fertile field which the Russians and their allies in the West are in turn exploiting through separatist and religious fundamentalist destabilization operations. One by one, we've lost our allies around the world through insisting on the maintenance of such criminal insanity as policy. It's high time we learned the lessons, and changed, before the IMF hands this country over to the Russians, too.

The LaRouche-Riemann Model charts Peru's economic development

by Peter Rush

Although presently sunk in a severe economic depression, Peru still retains the capacity to recover and become a semi-industrial country by the year 2000, on its way to full industrialization, according to a study just released by the *Executive Intelligence Review*. The study utilized the LaRouche-Riemann Economic Model, well-known in the United States for its accurate forecasting of the U.S. economy over the recent five years, and highly regarded in Mexico, Argentina, and India, where it has previously been applied to development planning.

At a seminar delivered on July 10 in Lima, Peru to the leadership of the Peruvian National Society of Industry, *EIR's* Dr. Uwe Parpart and Dennis Small presented the two options facing Peru today, a continued economic collapse under the program of the International Monetary Fund (IMF), or a difficult but feasible recovery based on overthrowing IMF austerity and carrying out an ambitious investment program in agriculture, electric power, transportation, and colonization of the Amazon region.

The "motor" identified in the *EIR* medium-term program for 1985-90 to pull the economy out of its slump was savings in foreign exchange resulting from the rapid expansion of agricultural output that *EIR* determined could be realized within a one to three year period. The expanded output would permit eliminating presently necessary imports of corn, rice, and other products, while expanding exports of cotton, various fruits, and other products, for a net "savings" of \$400 million in 1986 over present foreign trade balances, and almost \$1 billion by 1990. Combined with smaller savings in presently imported capital goods that can be made by Peruvian industry, this additional fund was sufficient to permit rising investment in electricity, capital goods, and agriculture.

Once the recovery has been so initiated, a rigorous education, research, and training program can begin to qualify the labor force for skilled jobs in an expanding capital goods industry, at the same time that Peru begins to tackle the daunting task of conquering both the high Andes mountain chain, and the nearly vacant expanse of Amazon plains and jungle.

While the present depression began in late 1982, Peru has been in a period of general economic decline since 1976, when the regime of General Velasco was overthrown in a

coup d'état and replaced by a new government which immediately began implementing an IMF-style austerity program. Although the total output returned to a new high in 1981-82 after falling from 1

of the economy was severely weakened. As part of its study, *EIR* used the LaRouche-Riemann model to analyze the 1960-1983 period. **Graph 1** shows that total labor cost of the productive sectors of the economy (agriculture, mining, manufacturing, electricity, construction, and transportation) fell sharply after 1976, and never regained its high during the slight recovery of 1981-82. This meant that the post-1976 austerity permanently shifted a significant portion of national income out of the pockets of the productive workforce.

IMF austerity wrecking the country

This effect was magnified by the increasing foreign debt problems, renewed pressure from the IMF, and natural disasters in late 1982 and 1983 causing the disastrous collapse shown for 1983 in **Graph 1**, a collapse which has initiated a self-feeding downward spiral in which loss of purchasing power forces layoffs which in turn lowers purchasing power.

However, the economy grew only in a lopsided, distorted way even before 1976, which helped pave the way for the later fall. As shown in **Graph 2**, consumer goods production rose hardly at all from 1970 to 1982,

1976, in line with the fall in incomes. The main growth sector was in intermediate goods, including the primary metals and chemical sectors. However, the rise was based on petroleum refining and shipping and construction of non-ferrous metals (copper, zinc, lead, and others), refining plants, and some chemical plants. These sectors added to foreign exchange, but had very little spin-off effect on the remainder of the economy. The result was to perpetuate the primary metals dependency that has characterized Peru since 1900, a dependency typical of a colonial-type economy.

The capital goods sector experienced significant growth until 1976, and has been stagnating or falling ever since. Between 1982 and 1984, the bottom has fallen out of this crucial sector. Many machinery-making plants are presently operating at 25% or less of capacity, and are facing bankruptcy, having laid off many of their workers.

The agricultural sector has been in continuous crisis since

the first years of the 1970s, based on a much-needed but badly designed and executed land reform beginning in 1969. While huge latifundia were broken up, they were replaced by various forms of cooperative farming that have not functioned well. As a result, skilled personnel and capital have fled the sector, resulting in falling yields for most crops since 1972, and more and more land area in the populated and irrigated coastal region going out of production for lack of investment.

IMF versus EIR

In the midst of this crisis, the IMF has been demanding even stiffer austerity for an economy already dying from too much austerity. By contrast, *EIR* attempted to define a healthy growth trajectory for the economy, and then determine if it were possible for the Peruvian economy in its present condition to attain that trajectory.

Graph 3 shows the two trajectories. The hypothetical trajectory modeled what could have been done had it not been for the 1982-84 depression, with healthy but conservative estimates for possible growth rates. This was based on a careful examination of the needs and resources that would exist in the year 2000, rough investment costs required for infrastructure, agriculture, and industry, and on the necessary labor costs under the assumption of gradual but continuous improvement in the standard of living.

The *EIR* trajectory was calculated by applying the "savings" deemed possible in agriculture, as defined above, to investments in agriculture itself, and to infrastructure and

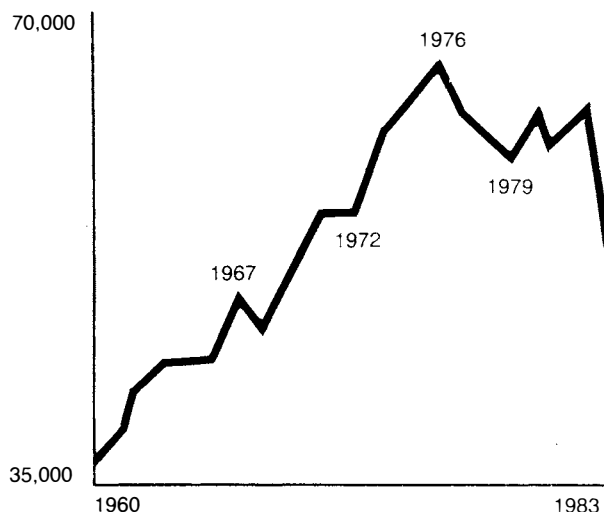
capital goods industry in the first five years of the program. These savings were based on the excellent potential that Peruvian agriculture has, despite the generally poor agricultural situation at present. Although the total land area of Peru's coastal area is small, under 2 million hectares, most of it is very fertile soil, and merely needs water to be highly productive. But until now, yields on the coast for potatoes and corn have remained at very low levels, compared with other countries, and cotton yields are significantly below what they easily could be. Also, with investments in the order of half a billion dollars spread over several years, several hundred thousand hectares of fertile land could be brought back into production.

Thus, with adequate fertilizer, tractors, farm machinery, and credits, and with investments in drainage and irrigation, a 20-30% increase in yields and a 15% increase in land area would simultaneously permit the cessation of most agricultural imports and the expanded export of several commodities, while providing for a slightly higher per capita consumption of major food items.

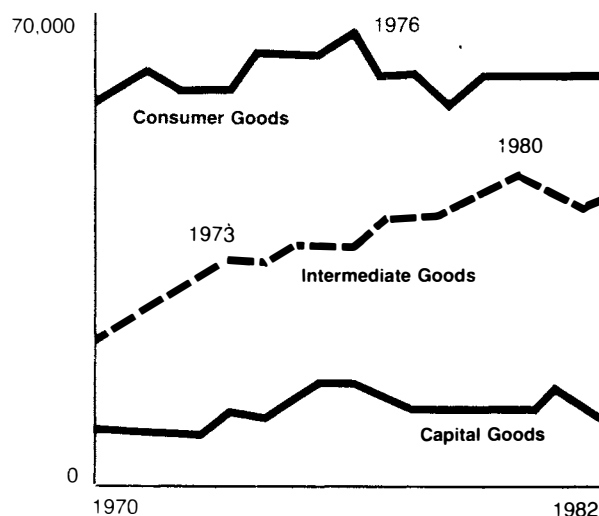
As can be seen in **Graph 3**, the *EIR* trajectory parallels the hypothetical path, albeit starting at a lower point. This indicates that while the loss of a year or two cannot be made up, the appropriate path can be charted to pull the country out of underdevelopment by the end of the century.

Contrasted to this is the result of the IMF austerity, as indicated in **Graph 4**. The steep decline of 1983 continues into 1984, to the point that starvation and mass unemployment will face much of the population by 1985-86.

GRAPH 1
V, or Total Labor Cost, of the Peruvian economy, 1960-83
(millions of 1973 soles)



GRAPH 2
Value Added in Manufacturing: Consumer, Intermediate and Capital Goods
(millions of 1973 soles)



In addition to modernizing and developing coastal agriculture in the short-term, the country faces the tremendous task of constructing roads across the high Andes to link the mountain and trans-Andean regions. This requires major engineering feats to build three or four major east-west highways through the best passes in the mountains. The sheer construction of these will tax the engineering skill of international contractors, but will truly unite the country for the first time in its history.

In electricity, 98% of the hydropower resources of the country are on the Amazon side of the Andes, far from existing population centers. The challenging but feasible development task is to construct the larger hydropower dams on the trans-Andean rivers, and then construct transmission lines back across the Andes to the coastal and mountain areas short of power today. As well, there is a major, \$1.2 billion project that must be begun immediately to pump water across the continental divide into the river that supplies Lima, both to provide net power and to replenish a diminishing water supply for Peru's capital.

Peru has a small capital-goods sector, but it has a sizeable labor force of relatively skilled workers, and has a good complement of draftsmen, technicians, and engineers. The country can, and must, focus on developing its capital-goods sector, both to supply more and more of its own investment demand, and to export to other countries under the emergent Ibero-American Common Market.

The Amazon basin on the east side of the Andes consists of dense jungle, whose development is many decades away,

and of higher plains on the skirts of the jungle. Over 10 million hectares of this region is ideal for agriculture, cattle, and forestry, and its rapid development must begin now. Needed is major road construction, followed by urbanization in the form of construction of entire new cities in regions being opened up. The challenge of conquering the tropical near-jungle areas is the solution for the over-concentration of population in the capital city of Lima (over 5 million out of 18 million people in the country) and other coastal areas, and the almost total absence of population in more than half the land area of Peru.

Finally, Peru must define several areas of scientific research in which it will train top scientists and assume leadership. Given the very varied agricultural regions of the country, a major agricultural and biotechnology institute should be created to competently plan the conquest of the Amazon and the proper utilization of the mountain areas. Given the continuing role that mining will play in Peru for well into the next century, an institute specializing in materials development to find new uses for Peru's metals, and to spearhead other industries in the country that can use domestically mined products, would have a major economic impact.

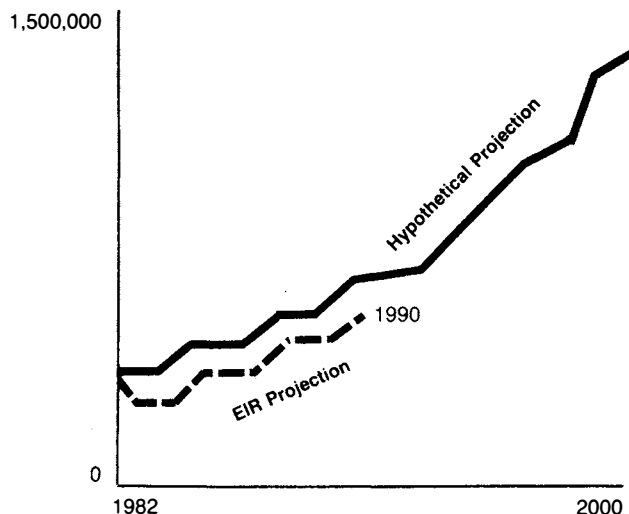
Third, the very rich fishing areas off Peru's coast would warrant expanding greatly the research effort into oceanography and marine biology.

Taken together, and barring the continued sabotage of the economy by external pressures, these measures can finally free Peru from a long legacy of economic stagnation and crisis.

GRAPH 3

Gross Domestic Product of Productive Sectors: EIR Program Projection and Hypothetical Projection

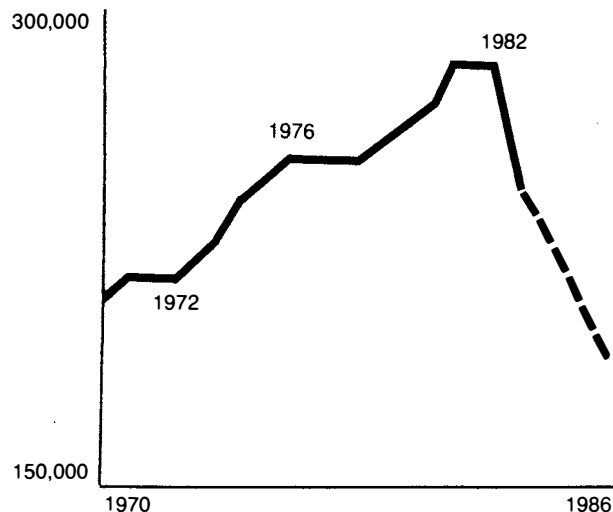
(millions of 1973 soles)



GRAPH 4

Gross Domestic Product of Productive Sectors: IMF Program

(millions of 1973 soles)



City of London bankers brace for Ibero-American debt shock

by Laurent Murawiec

I recently had the opportunity of meeting a series of leading City of London figures, bankers and merchant bankers, journalists and bank officials, brokers. Contrary to earlier such meetings, I was struck by the virtual disappearance of the traditional 'chutzpah' so typical, otherwise, or in other times, of the City: No one there now seems to think that he has the world all sewn up, under control, and orientable at (his) will.

Concern and disquiet were evidence that the last two years of frenetic efforts to bring the successive explosions of the debt crisis under control had come to naught. Several times, the opening sentence shot out: "So, your debtors' cartel is now a functioning entity, huh!" The fear looming large in many of the City's most sober minds is that a global redistribution of financial power is under way, whereby banks that have lent much and provisioned little for loan-losses are going to lose their shirt in the great write-off they see ahead, while those banks that lagged somewhat in the lending, and have set money aside, will appear the stronger as a result when the debt dust settles. British as well as American banks are main components of the first category; Swiss, German and Dutch banks of the second.

"Frankly, the game is up. The debtors have established their cartel, whatever you or I choose to name it, and whatever fancy name they gave it—"a mechanism of coordination—and it is a fait accompli," said a director of the Bank of England. "The debtors can only radicalize, and they clearly are going to. My main concern is that it is governments that are going to have to take over the debt—how can we avoid 'nationalization'? The write-off is going to be gigantic, and banks would go belly-up in droves, unless a massive bail-out is engineered. We are going to have to do it."

Technocrats and 'clearers'

The Bank's deputy governor, Christopher McMahon, another City figure mentioned, has told the banks at what price they could sell off their poorly performing or non-performing claims against debtors: The Bank of England would buy them up at discounts of 50%. In fact, an active

discount (secondary) market in dubious bank and syndicated claims against debtors has already developed in London, where banks can unload their Brazilian paper at 25-30% discount, their Mexican paper at 20% loss, their Yugoslav paper at 70-75% of par, etc. But if the institutions intervene, "the cost will be savage, punitive for the banks."

McMahon is unanimously recognized as the most experienced hand at international financial and monetary affairs. There is—courtesy of Mrs. Thatcher's peculiar conception of team-work—precious little competition. The man in charge at the Treasury, Peter Middleton, was described as "a manager, a technocrat who spends the first half of the week figuring out how he's going to reach Sunday." His ascent to his powerful position of responsibility at the Treasury was due to the smooth expulsion of the eight civil servants above him in the line of succession, whom the Prime Minister dispatched to other government departments to make way for her favorite. As a result, expertise, experience, and personal connections are in short supply at the Treasury.

At the Bank of England, the governor, Robin Leigh-Pemberton, gained quasi-immortal fame only a few days after Mrs. Thatcher broke tradition by appointing, for the first time ever, a "clearer" (he then chaired the National Westminster Bank) as Bank governor; he stated for the record: "The debt crisis, if ever it was a crisis, is over." That was in January 1983, and his reputation has not yet recovered.

'The end is nigh'

The *Financial Times*, the "voice of the City," has printed an uninterrupted series of articles in the last few months on the theme "how to pick up the pieces," how to reorganize debt. "They don't want to create a panic needlessly by blaring out that 'the end is nigh,' " a City observer said, "but anyone who reads between the lines knows what they're talking about. The message is sinking in."

However, the likely course of action to be followed is "a big 1982-style bailout accompanied by a smattering of each mini-solution you can think of that will smooth up the losses

on the edges," a City journalist said. "A bit of everything. There is really no grand strategy behind all that, it's crisis management, hand to mouth. When the bailout comes, so many dollars will be printed that interest rates will fall, and the dollar will tumble—all the more that the United States is now a net debtor. In fact, the dollar has *already* been devalued since higher and higher interest rates are required to sustain it. And U.S. banks are in very bad shape: look up the Ponzi games being played by a certain major S&L in California, which is offsetting its losses only through cashing in huge fees on dubious operations. It cannot go on much longer."

'Insulate the City'

The danger for the banks, and the whole financial structure, has not remained unnoticed, and a great deal of work has been done in the City, at Whitehall, and at the Bank of England on how to "insulate" the City from the expected shocks in international finance. This is why an unprecedented spate of mergers, acquisitions, buyouts and so forth has hit the City in the last year, and has been accelerating constantly.

Brokers, stockjobbers, and other financial service units are being taken over in part or *in toto* by merchant banks, clearing banks, and insurance companies. "The capitalization of brokers and jobbers is low, too low to absorb heavy trouble if and when it comes—and there's plenty of that already," a broker said. A considerable regroupment is underway, which aims at consolidating and capitalizing a lesser number of financial units in order to minimize the amount of rubble that will have to be cleared. The 8% loss of capitalization suffered in one day by the Midland Bank at the end of June, on account of its large Latin American exposure, has left a deep mark.

Despite the sober analytical acknowledgment of the reality and urgency of the debt and banking crisis, there is little sign that action will be taken or initiatives thought up and acted upon that would go beyond the "muddle-through" policy. At least, no such intent appeared in these various conversations.

'The debtors' cartel is now a reality'

The following is an interview with a prominent City of London merchant banker, who requested that his name be withheld from publication. The interview was conducted by our European Economics Editor Laurent Murawiec in London on June 28.

Q: How are banks doing in the present phase of the debt crisis?

A: A tremendous loss of liquidity is developing as banks find increasing holes on the asset side of their balance sheets, and the holes are going to have to be plugged. [Swiss National Bank director] Markus Lusser's proposal of a secondary market for discounted bank claims can't work. The capital structures of the banks cannot take it: How do you replace the lost liquidity? Selling an asset at a discount means that it is lost forever, which cuts the net worth of the bank, and therefore, its overall ability to lend, since the "gearing" is necessarily at a lower level. At a 25-50% discount on assets, it becomes untenable. No, emergency liquidity will have to be provided to the banks.

The debtors' cartel is a reality, from Cartagena onwards. Debtors will radicalize, and concessions will have to be made. Which brings about two problems for the banks: cash-flow and accounting.

Q: Creditor bankers have publicly been insisting that they would stick to a hard-line with the debtors, although. . .

A: Creditors are in a bind. U.S. banks stick to their idea that concessions mean loosening the IMF grip, and reducing the incentive for debtors to behave as good boys. Concessions mean loss of authority, and radicalization. But no concessions means a confrontation, in which the debtors can now fight—and perhaps win.

Central banks have all kinds of contingencies planned out, all based more or less on relaxing monetary targets—the line Fritz Leutwiler [outgoing chairman of the Swiss National Bank and Bank for International Settlements] expounded first in his *Die Zeit* interview in June.

Q: What about the numerous recent proposals for easing the debt burden while keeping the assets, interest capitalization, interest rate capping, and so forth?

A: Capitalization is not an option: on the one hand, it means making the debt eternal, through compound interest. On the other hand, it's just like lending new money, or adding new debt. Capping is not going to work: Who is going to cap how much, related to what, and on whose authority? If you cap interest rates, there is no incentive. Of course, no interest is really being paid at present, but it shows that this "solution" just brings us back to square one, where we are anyway. So, why move?

Q: What do you think could be done, then?

A: Well, some coordinated action between debtors and creditors, I think, with the U.S. taking the lead. If emergency liquidity is provided, and dollars printed en masse, bank stocks will fall dramatically, so will the stock markets, and interest will go down significantly. But banks must be enabled to keep on lending to the productive sectors, to save the world from terminal recession. The problem is to control the

liquidity thus issued: it took \$7.5 billion—officially—to save Conti Illinois alone! Bank stocks will collapse since the condition for the bailout will be that they pay no dividend at all for some while. Some banks will go belly up, though not many. The effect, overall, will be badly recessive.

Q: What of the debtors?

A: The first and last at this moment is that the debtors' cartel is a functioning entity, whether we like it or not, and believe me, a lot of us don't like it at all. But it's there.

What can happen to Latin America? Under moratorium or semi-moratorium conditions, some measure of growth will restart, with limiting factors: recession in the rest of the world, the depth of the Western recession which will now increasingly appear, especially in the U.S., in 1985, and little bank lending if any to the LDCs. They will need international institutional money and export credit from Western governments. Some internally-generated growth will still be there. But they'll have an export problem with growing protectionism.

Overall, Cartagena has to be accepted, including the final declaration. But if there is some thought of doing that in some central banks, count on them to hush it up completely until they move.

Q: Are other "solutions" being envisioned? I read a piece in the *Financial Times* on the possibility of seizing the assets of debtor nations?

A: No, no, you can't do that. All the work has been done on this, believe me, it cannot be done, not seriously. The myth has been exploded. Most of the time, the debtor is a legally independent entity rather than a government. Debtors could deposit assets with the BIS, where they would be untouchable. Or with Swiss banks, which won't seize deposits in numbered accounts! Can you imagine a big Swiss bank seizing the personal account of Delfim Neto? And you can't go to a Brazilian court, for instance, and get a judgment against a Brazilian debtor, and get enforcement. Forget it.

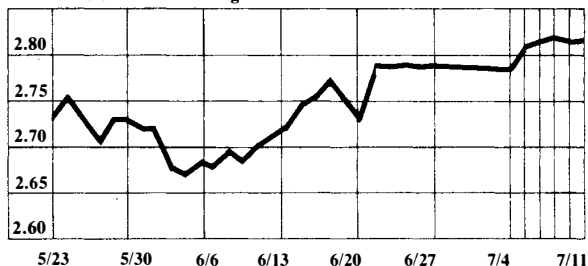
Q: What about the Kissinger-Leutwiler scheme of debt for equity?

A: Forget it, too. The [World Bank affiliated] International Financial Corporation has been talking to various countries on how to stimulate foreign equity investment there, including converting loans into equity. But first, you would have to offer a yield on equity higher than on debt, and second, to be able to repatriate the proceeds, have a hard-currency cash-return, and that is not a given at all. And it would be inflationary for the countries concerned. And then, which country really has a market in assets that would be big enough to cover part of the debt? Mexico, Brazil. You'll get shot at with rifles if you try. Forget it.

Currency Rates

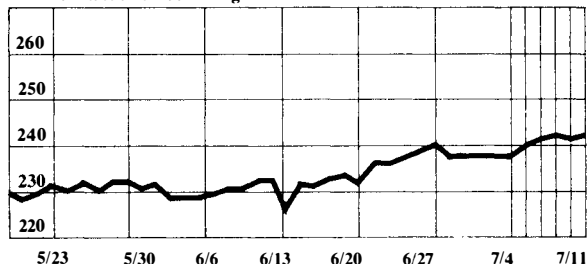
The dollar in deutschemarks

New York late afternoon fixing



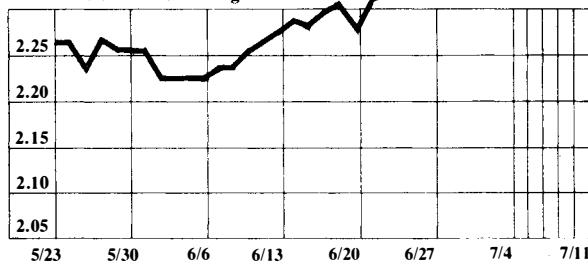
The dollar in yen

New York late afternoon fixing



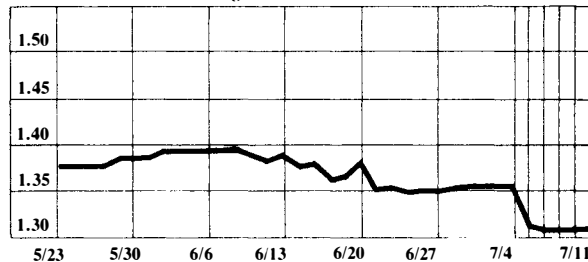
The dollar in Swiss francs

New York late afternoon fixing



The British pound in dollars

New York late afternoon fixing



The geometry of life: nonlinear spectroscopy

by Ned Rosinsky, M.D.

The spectral characteristics of DNA and chlorophyll, the particular frequencies of light and other radiation which these substances absorb and emit, hold the promise of helping scientists penetrate deeply into the question of what is the crucial difference between the living and the inorganic state. We need an understanding of this crucial difference if we are to make any real headway in the battle against cancer and other diseases of aging, as well as in the effort to understand basic biological processes such as the functioning of chromosomes, cell division, and the differentiation of tissues within the development of the embryo.

Before looking at spectral properties, we have to step back briefly and develop a context in which we can interpret what is important about these findings.

Confronted with the enormous amount and apparent complexity of biological data, we need to begin with a principle of biological function which is definitive of the overall process. This is simpler than it sounds, if we start with the right methodology.

The crucial feature defining any process is some sort of transformation in which work is done. What is important is not a self-evident entity, but a change, a transformation. Significant transformations involve changes which increase the potential to do work, to make more transformations. These changes of increasing work potential are termed nagentropic.

The simplest pictorial representation of such a transformation is a self-similar spiral on a cone (Fig. 1). Each turn of the spiral represents a transformation to a higher potential of doing work. The actual performing of work can be represented by two conical spirals (Fig. 2), in which one process does work on another. This double spiral geometry represents the kernel of any work process, and we would look for such underlying geometries as the basis for the functioning of crucial transformations in biology.

In addition to conical action in which work is done, work potential can be simply propagated and this can be indicated by a spiral on a cylinder, that is, a spiral which does not enlarge as it propagates. The propagation of light is an example of this type of action.

FIGURE 1
**Cone with
self-similar
spiral**

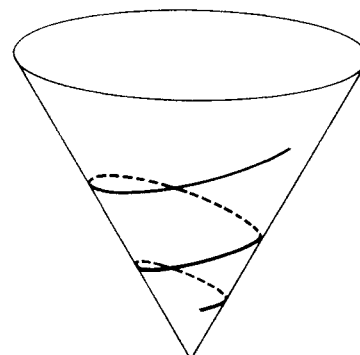
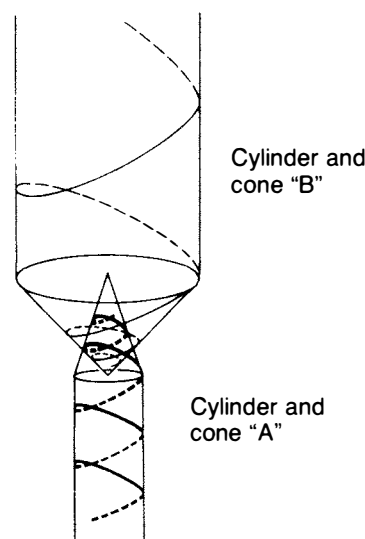


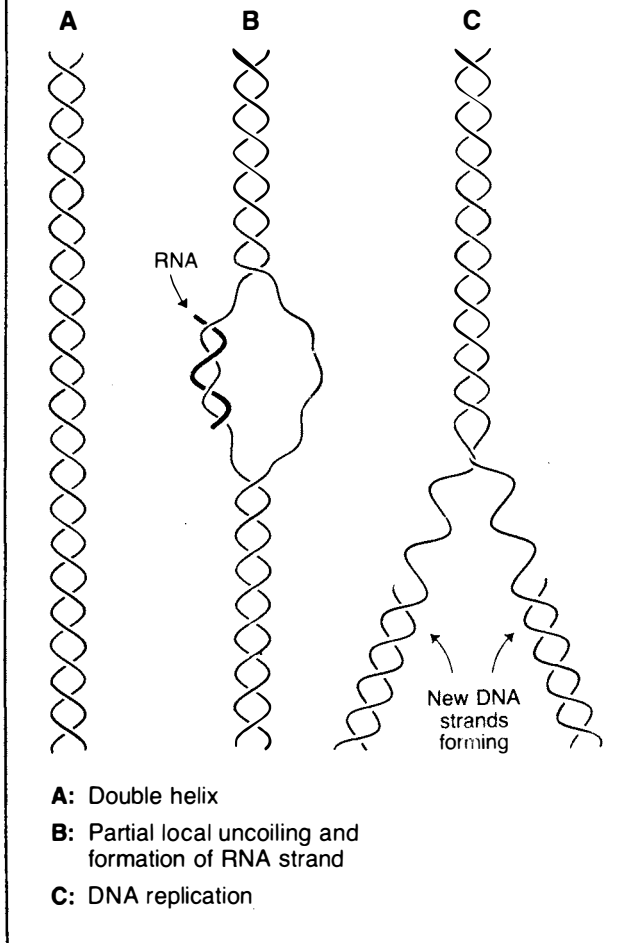
FIGURE 2
Transformation of frequency



We can then see Fig. 2 as involving the propagation of work potential in a cylindrical form, which then changes to a conical form as it drives the potential in the second cone, resulting in a second spiral of higher frequency, which then propagates on a cylinder larger than the first. Thus the crucial process is an *upshifting of frequency* of the spiral work function.

Now let us look at biology. If we broadly scan what is generally known of biological geometries, we see shapes and forms which are vaguely reminiscent of the work functions described above. We would not expect to see direct replicas of the work functions, since the visual appearance of such processes is likely to be severely distorted. However, if we start with the notion of self-similar growth, we can see in many species of plants conical geometries which are the basis for ensuring maximum sunlight exposure, maximum room

FIGURE 3
DNA in three modes



for growth of new leaves at the tip of the plant, and maximum potential for evolution of the plant based on small changes in the growth geometry of the tip (the meristem tissue).

In order to better define this living process, we need to explore the smallest quantum of action of the work of the plant, which is, generally speaking, some aspect of self-development. We therefore turn to photosynthesis, and look at the microscopic level. Immediately we are in the realm of spectroscopy, since the action of photosynthesis involves the absorption of sunlight. Chlorophyll is certainly involved, but probably the exterior layers of the plant are also involved, such as the possibility of pre-polarizing the light by carbohydrates before the light reaches the chlorophyll.

In a series of experiments on the spectrum of chlorophyll, James Frazer, now at the Texas Medical Center, found that chlorophyll absorbs radiation strongly in the microwave region, and after such absorption re-emits in the infrared. This represents approximately a 10,000-fold increase in the fre-

quency of the radiation, and there is evidence that the re-emitted radiation is of a coherent form. Earl Prohowsky of Purdue University is examining the spectrum of DNA, particularly focusing on the microwave region, and has already found some upshifting of re-emitted radiation. His theoretical calculations indicate that a major upshift similar to the one seen in chlorophyll would be expected, and he and others are now attempting to verify this experimentally.

Geometrical interpretation

How can we interpret these results? In the case of DNA, some aspect of double-spiral geometry is evident. Furthermore, the twisting and untwisting of that spiral is a key part of its functioning in producing RNA for protein synthesis, and in self-replication for cell division (Fig. 3). Since the smallest quantum of action in the work function is the addition (or subtraction) of one whole turn of the spiral, this fits in nicely with our idea of work in general.

Looking more closely at the area of the intersecting cones in Fig. 2, we would like to better understand the form of this crucial part of the process, which we term a singularity. Since one process of a given characteristic wavelength is driving another process of a different wavelength, and these wavelengths can be thought of as representing different efficiencies of propagation, or retarded potentials, we can see this action as similar to a jet plane forming a sonic boom, i.e., a shock wave. The plane goes faster than the speed of sound, causing the shockwave to form. In the DNA, we would look for two areas, or "submanifolds," with differing maximum rates of wave propagation, coupled to each other so that the faster can drive the slower to its maximum point and beyond. In terms of topology, our hypothesis would be that the inner aspect of the DNA may have a different rate than the outer aspect. A shock wave formed under these conditions would cause a rotation of the spiral in such a way that the "inner" surface would separate from the "outer," which would then be related to the types of geometries seen in Fig. 3.

The upshifting of frequency is termed nonlinear for obvious reasons. Another aspect of nonlinear spectroscopy is the DNA absorption of microwaves per se. The avidity of DNA for microwaves is orders of magnitude higher than would be expected based on any "component" of DNA, and therefore suggests a long-range resonance of the molecule as a whole, including the water and ions associated with the DNA. The April 1984 issue of *Science News* reported on the work of Mays Swicord in documenting these spectral effects. We can approach this in a manner similar to the hypotheses above, to arrive at a deeper understanding of the functioning of DNA.

By now the usual biologist would be howling, "But DNA is nothing but a passive information tape to carry genetic codes, so all of this is irrelevant, if not impossible!" To which we would reply, it is the statistical, information theory approach which is irrelevant to biology, since life based on statistics should statistically not exist.

Farm income falls to 12-year low

USDA statistics were adjusted downward, in precise conformity with EIR's earlier predictions.

Net farm income for 1983 dropped to its lowest level in 12 years, discrediting U.S. Department of Agriculture forecasts of an income increase, while spelling farm bankruptcies and danger ahead for the U.S. food supply.

Statistics for 1983, released last week by the department's Economic Research Service, show net farm income was between \$15 billion and \$17 billion—exactly as forecast last year by this journal. The *EIR Quarterly Economic Report* for October 1983 had forecast net farm income of between \$14 billion and \$18 billion. The USDA, at the same time, forecast a figure of \$25-\$29 billion, nearly double the actual amount.

The actual 1983 figures for net farm income mean that average farm income was below \$6,000 per farmer—welfare levels. Many farmers, in fact, had no income at all in 1983. The main reason for the reduced income is the same as that which causes many agricultural experts to fear a food shortage: Farmers are going out of business. They are being driven into bankruptcy by high interest rates, high costs of production, declining property values, and price manipulations by the commodity cartels.

For the farmers desperately working to remain in operation "one more season," the situation is impossible. The data assembled in the latest *EIR Quarterly Economic Report* (June 1984) show that the cost of farm operating expenses—even excluding labor—stands at 50% of gross income, the highest percentage in any recent

decade. Funds available for investment are below 1963 levels. Interest payments have leaped from \$14 billion in 1978 to \$21 billion in 1983. What keeps many farms going at all is off-farm income—wages, investments, any kind of income from non-farming pursuits, which will amount to more than \$40 billion this year, more than 60% of total farm income.

No emergency measures have come out of Washington—from either the administration, the congressional opposition, or the established farm lobbies to stem the tide of farm bankruptcy disaster. Instead of freezing farm debts, and ordering emergency production credits to guarantee national food security, farm credit is being turned off, and loans called in. From 1983 to 1984, it is projected that total farm debt will decrease by at least \$1 billion down to a total of \$215.1 billion.

The Senate, like unconcerned bystanders, has passed a resolution calling on the President to appoint a task force to investigate the problems of farm credit. The first vice president of the American Farm Bureau, Elton Smith, met with President Reagan July 13, and said, "Farmers get harder put because of higher interest rates than any other group. . . . The Congress is the problem," but his group, the largest farm organization in the United States, has no solution because its Chicago head office backs the International Monetary Fund world austerity program to drastically reduce numbers of farmers, food "surplus" out-

put, and population.

Several bills introduced in the House present various incompetent solutions to the farm debt crisis, for example, federal aid to rural banks to assist them to lease back foreclosed farmlands to their original farm owners, who will then be government/bank tenant farmers.

Though U.S. Agriculture Secretary John Block has claimed only 4% of U.S. farmers would go out of business this year, in many regions of the farm belt the actual figure ranges from 10% to 50%. In the heart of the U.S. farm belt, from Minnesota down to Texas and from Indiana to Colorado, sources report, you can't book an auctioneer, they are so busy with farm bankruptcy sales.

Rumors are now spreading that Secretary Block will not last past November. Financial statements show that the Blocks' Illinois hog farm is bankrupt. Only unsecured loans have permitted him to stay in business over the past year.

A month ago, the agriculture secretary was hospitalized for bleeding ulcers, attributed to the stress of a recent trip to Japan. But insiders know that it is the stress of presiding over the worst farm collapse since the Great Depression that is taking its toll on Block. He has been forced to play the role of a "Charlie McCarthy" puppet, mouthing the arguments for an agricultural policy he knows does not work to satisfy the policy desires of the State Department and international food cartels who want the food-surplus potential of the United States completely destroyed.

Lurking in the shadows behind Block is Agriculture Undersecretary Daniel Amstutz, former general partner of Goldman, Sachs and a 25-year Cargill executive who has specialized in speculation in scarce commodities—what food will now become.

Business Briefs

Oil

Iran cuts price to Japan

The state-run Iranian National Oil Company (NIOC) told Japanese oil industry buyers on July 11 that it will sell Iranian light crude for \$25.40 per barrel, a \$2.60 per barrel cut from the official government price, according to oil sources in London.

Although this price is 38 cents higher than the price agreed upon earlier in the week by NIOC and Japan's Mitsui and Company, it is lower than any price previously offered to the Japanese oil trading companies.

Iran has been offering lower oil prices to Japan since a number of oil tankers have been hit in the Persian Gulf in the Iran-Iraq war fighting.

The oil sources said the lowered price would increase downward pressure on oil spot market prices.

The Debt Bomb

London features *EIR* analysis of financial crisis

Phillips & Drew, one of London's top brokerage houses, published as the lead feature of their monthly *World Investment Review* magazine in July, an analysis of the world debt and banking crisis entirely taken from *EIR*—but without citing the source.

The *Review* wrote: "While the Latin American debtors were careful not to assume a confrontational posture at their meeting in Cartagena, they presented demands for consideration before the IMF [conference]. . . ."

"The threat to the world economic recovery is twofold: 1) the LDC debtors' demand for goods and services is likely to be constrained over the medium run if they pursue the economic austerity policies agreed to with the IMF; . . . 2) the increasing risk of disruption of sovereign debt service payments holds out the prospect of damaging illiquidity problems in the developed countries. . . . [T]here is growing depositor awareness of the heavy exposure of some major commercial banks to the LDC sover-

eign debtors. . . .

"[There is] a renewed sense of urgency in the quest for a solution. On the debtors' side, [Brazilian] President Figueiredo has issued a letter to President Reagan appealing for a negotiated reduction of debt service burdens. The important point is that this appeal was directed solely to the U.S.A. . . .

"On the creditors' side, earlier proposals for interest rate capping and debt-for-equity swaps have fallen out of favor as impractical or too slow-acting. There is probably increasing support in some official circles for a strategy of inflating away the debt over a 5 to 10 year period. However, we do not believe that the Federal Reserve under Paul Volcker will be sympathetic to this view."

Finance

Bankers hold secret meetings in Italy

A secret meeting of the "Tidewater" group—a collection of international organizations which control economic assistance to the Third World—took place in Orvieto, Italy on July 7-8 to map out a strategy for looting the developing sector.

Participants included World Bank President A. W. Clausen, International Monetary Fund head Jacques de Larosière, representatives of the OECD, UNICEF, and OPEC, plus spokesmen for a number of industrialized and developing countries, including India, Pakistan, and Argentina.

Giorgio Giacomelli, the head of the Italian Foreign Ministry's Department for Cooperation and Development, told a press conference on July 10 what the "general lines" discussed were:

"We cannot impose short-term measures on indebted countries . . . because in this way we could provoke social problems and revolutions. . . ." Instead, said Giacomelli, "we have to create a structure of permanent coordination between the international financial institutions, the creditor countries, and the debtor countries."

A participant told *EIR* that discussion at the meeting centered on the need to stretch out debt repayment schedules. This implies the necessity of maintaining the economic recovery in the West and liberalizing trade, said the spokesman, as well as on "a restruc-

turing of the indebted economies," to be achieved through a "newly created axis between the World Bank and IMF."

When *EIR* called the Argentine embassy in Rome to inquire whether the Kissinger "debt-for-equity" scheme had been discussed at the meeting, the economic attaché replied: "Yes, we are perfectly aware of this project to loot our economy under the pretext of the debt, but I do not know what the Minister [of Finance, Bernardo Grinspun] discussed. Let's hope that this will not happen; let's hope."

International Trade

West Germany's Genscher goes to Iran

It has been announced that West German Foreign Minister Hans-Dietrich Genscher, Libyan dictator Muammar Qaddafi's best friend in Germany, will be flying to Teheran on July 20 for two days of meetings, potentially including a meeting with Ayatollah Khomeini himself.

Such a visit is the highest level visit of a Western foreign minister to Teheran in years, and reflects the close economic ties existing between West Germany and Iran today. Germany is Iran's leading Western economic partner, exporting industrial and military products.

Banking

Mexican renegotiation demands upset bankers

Leaks during the first week in July that the Mexican Ministry of Finance was organizing all of Ibero-America to refuse to pay the latest half-percent increase in the prime rate have greatly disturbed the bankers. Although the *Wall Street Journal* has still not reported on those rumors, it reflected the banker's anxieties on July 11.

"Bankers are especially upset at the possibility that Mexico may try to revise the terms for last year's \$5 billion loan," the

Briefly

Journal reported. It cited one major banker warning that Mexico "will never get another" new loan from the banks if it tries to change those terms. Although Citibank announced two months ago that Mexico would be given privileged treatment over other debtors, there is now "stiff resistance" to those terms among bankers, the *Journal* says. The creditors "want to keep Mexico on a short leash," so that it can be immediately punished for misconduct. As a result, bankers expect no individual deal with Mexico to be signed before October, with a full-scale banking crisis breaking out if Mexico has not signed by then.

Arms Trade

Iran/Israeli deal cancelled by U.S.

A well-informed Tel Aviv source told *EIR* on July 13 that a two-man Iranian government delegation, led by a relative of Ayatollah Khomeini, has recently visited Israel, to buy 400 M-48 tanks from Israel. "The Iranians explained that the tanks were critical to launching the summer offensive against Iraq. Israel wants the money, so the deal was agreed to."

According to the source, the U.S. government stopped the deal, since the M-48 involves American manufacturing and cannot be sold without U.S. approval.

The Tel Aviv source reported that the relative of Khomeini came to Israel bearing a false passport with the name "Jean-Pierre Dlanes" and with letters from the Paraguayan chief of staff claiming that the tanks were meant for Paraguay.

Operation Juárez

Ibero-American debtors: 'A real and just' solution

The vice-ministers of finance of the Andean region nations—Bolivia, Ecuador, Colombia, Peru, and Venezuela—began a conference in Lima July 12 to discuss the debt crisis. Peru's Finance Minister Benavides Muñoz opened the meeting by emphasizing

the urgent need for both creditors and debtors to find a "real and just solution" to the crisis. "New alternatives which do not signify more popular sacrifice" are required, he said. If the problem is resolved quickly, "we can avoid the spread of social alteration in our countries."

Reporting on his recent trip to Peru from Buenos Aires, Argentine Foreign Minister Dante Caputo announced that the foreign and finance ministers of Ibero-American debtor nations will meet in Buenos Aires in September to deal with the foreign debt crisis. Caputo reported that both Peru and Argentina agree that all the Ibero-American debtors must be able to implement working mechanisms, "so that our conferences will go beyond declarations. . . . You saw that from Cartagena we advanced a little . . . but we still have a long way to go."

Pacific Basin

ASEAN minister calls for debt solution

Speaking at the conference of foreign ministers of the Association of Southeast Asian Nations (ASEAN) convened in Jakarta, Indonesia July 12, Indonesian Foreign Minister Mochtar Kusumaatmadja called on advanced sector nations to reduce interest rates and to solve the debt problems of developing sector nations, according to *Jiji* press.

Kusumaatmadja stated that the ASEAN nations were "somewhat disappointed" that the six most advanced industrial nations—the United States, Japan, West Germany, France, Great Britain, and Canada—had failed to come up with any drastic steps to solve the crisis at the London economic summit in June. Kusumaatmadja also called for the industrialized nations to increase their imports of primary goods from ASEAN countries. The ASEAN nations include Indonesia, Malaysia, Thailand, the Philippines, Singapore, and Brunei.

The conference was also attended by the foreign ministers of Australia, New Zealand, Canada, U.S. Secretary of State George Shultz, and Japanese Foreign Minister Shintaro Abe also attended the conference. Both called for promoting a new round of multi-lateral trade negotiations to stem protectionism.

● GERMAN CHANCELLOR

Helmut Kohl made himself unwelcome in Mexico by demanding that Mexico "make more flexible" its law regulating foreign investments. Labor Leader Porfirio Camarena responded that Mexico's debts must no longer be paid in the form of stocks of Mexican companies, since that violates the Mexican National Development Plan.

● THE SNAIL DARTER,

the three-inch species of perch that stalled the completion of the TVA's Tellico Dam because the dam would allegedly have destroyed the fish's "only environment," will no longer be listed as an "endangered species" effective Aug. 8. Richard Biggins, a government endangered-species biologist, conceded that the fish should never have been listed as endangered because the Little Tennessee River is not its only environment. "It was probably an error to list it as endangered, but it was not an error to list it as threatened," Biggins added.

● AIR FLORIDA pilots agreed to accept wage cuts of approximately 50% to help the bankrupt carrier get off the ground, officials reported on July 14. In filing a Chapter 11 bankruptcy on July 3, the 12-year-old Air Florida showed assets of \$145 million and liabilities of \$221 million. The airline suffered \$146 million in losses in the last three years.

● JACK ANDERSON, in an "analysis" for the Argentine press the week of July 8, told the nation to capitulate to the IMF: "In spite of the dangers implicit in [accepting] austerity, Argentina will blink first in its confrontation with the IMF, which, simply cannot permit too many concessions." If Argentina wants credit, Anderson continues, "it will swallow . . . the IMF's bitter medicine."

The U.N. population program: genocide on the China model

by Linda Cellini

"Asia is the world's laboratory for population. . . . What we have learned in Asia is a pretty good indication of what can and cannot work elsewhere."

Steven W. Sinding,
U.S. Agency for International Development

In August 1984 representatives of 160 nations will gather in Mexico City for the World Population Conference, at which advocates of Zero Population Growth (ZPG)—the genocide lobby—will hold up China as their model for curbing population growth. The tragedy that has occurred in the Peoples' Republic of China since it initiated the policy of a one-child limit on family formation in 1980—a tragedy that has seen a resurgence of infanticide in the late 20th century—is one that the World Bank, the United Nations, and the "population experts" intend to see repeated throughout the world.

The World Bank's Annual World Development Report, released on July 11 with great fanfare from the international press, sounded the alarm that the world's population will explode from 4.8 billion to about 10 billion by the year 2050. A. W. Clausen, the World Bank president, said in a speech in Kenya that his bank's prognosis "may well be optimistic" and that population levels could exceed 11 billion by 2150—a situation he termed "unacceptable."

The World Bank report hails "progress" in lowering the birth rate to a 2% average in the developing countries—down from 2.4% in 1965. The lower average is primarily due to a sharp fall in the Chinese birth rate during that period (China's growth rate reached a low of 1.17% in 1979).

In the Summer 1984 issue of *Foreign Affairs*, published by the Eastern Establishment's Council on Foreign Relations, former U.S. Defense Secretary and World Bank president Robert S. McNamara writes, referring to the one-child campaign and reports of female infanticide inside China:

"If present growth trends continue, I expect such coercive measures by governments and such brutal actions by families to be common by the end of the



The World Bank and its former chairman, Robert S. McNamara, are warning developing-sector countries that they will have to implement brutal measures like forced sterilization and infanticide to reduce their population growth. The model is China, whose leaders have been convinced by the "experts" from the World Bank and the United Nations that population control is necessary at all costs to save the economy from disaster.

Diane Walker

century." He concludes that population growth levels by the year 2010 "will happen either because of humane and voluntary measures taken now, or because of the old Malthusian checks. Or perhaps even more likely, in tomorrow's world, it will occur as a result of coercive government sanctions and the recourse by desperate parents to both frequent abortion and clandestine infanticide."

Coercion for a 'good cause'?

These are the policies that the "population experts" at the United Nations, World Bank, and International Monetary Fund hold up for the rest of the world. And they are not ashamed, as Robert McNamara is not, to describe such methods as "coercive." Paul Ehrlich of Zero Population Growth (ZPG) fame, a fervent advocate of triage for the starving Third World, bluntly calls the ZPG-lobby's policies "coercion in a good cause." He suggests that the United States assist such "causes" with logistical support in the form of helicopters, vehicles, and surgical instruments.

Lester Brown, head of the genocide lobby's Worldwatch Institute, prefers to use more circumspect language. "Continued population growth," he says, "is intolerable. . . . You need a system of incentives and disincentives like in China. I would not call it coercion, because it has a bad connotation and there is nothing bad about what the Chinese are doing. It is a very strong program of incentives not to have large families. *They don't give you food, housing, if you violate the prescribed population, family growth limits* [emphasis added]."

And a representative of the Washington-based Population

Crisis Council, on which Robert McNamara sits, explained: "I am not concerned about those stories about strapping women to the abortion table. The important thing is to achieve zero-population growth."

The Malthusian trap

In 1980, to the applause of the World Bank, the People's Republic of China launched a campaign to prohibit couples from having more than one child, mandating that births must be "planned" with the consent of the local Communist Party. For his role in such efforts, Qian Xinzong, China's minister in charge of its State Family Planning Commission, was awarded the United Nations Population Award in September 1983.

Reports on the grim reality behind the genocide lobby's statistics are increasingly coming to light, including in China. A Canton newspaper reports:

At the Sun Yat-Sen hospital in Canton the women line up in a corridor along rows of wooden benches to await their abortions. A middle-aged doctor stands by the open doorway of the operating room, marshaling them through like a traffic warden. Inside the small room three old steel-frame beds are positioned against a wall of grubby white tiles. Another doctor moves along the ends of the beds with a vacuum machine and a tangle of rubber pipes. After each operation the woman is allowed to rest for about five minutes before being told to walk out and make way for the next patient.

Last year 624,000 abortions were done in this province, 80% of the pregnancies were terminated by order . . . one third of the abortions were done in the sixth month of pregnancies or later.

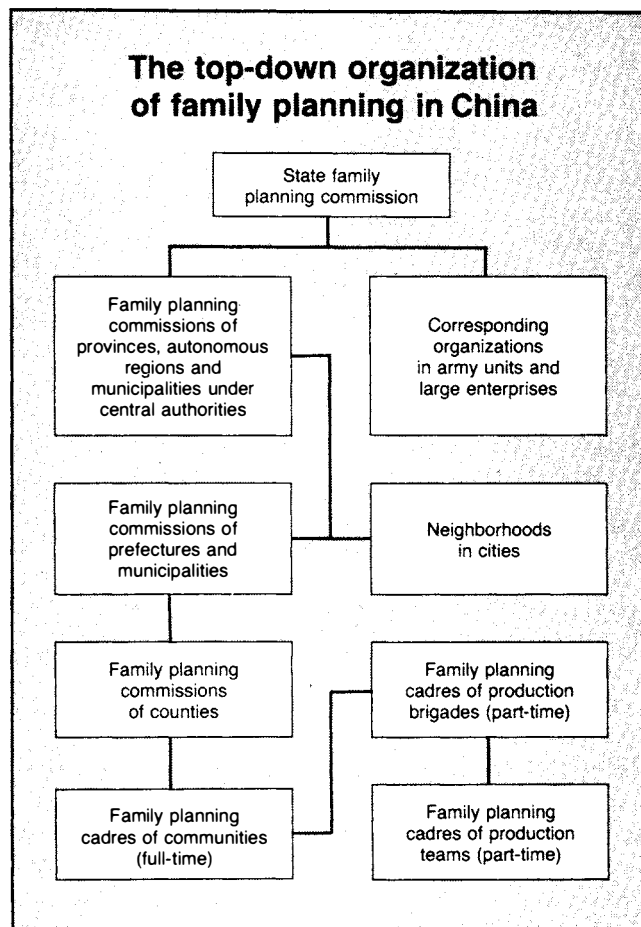
Government demands to meet sterilization quotas resulted in an estimated 8.86 million sterilization operations being performed in China in February 1983 alone. That is, more people were sterilized in that month in China than the total number born in the United States for the years of 1982 and 1983 combined. If you added the total 1980 populations of Connecticut, Rhode Island, Maine, New Hampshire, Vermont, Delaware, and the District of Columbia, you would still have approximately 240,000 people fewer than the number of men and women sterilized in that one month in China.

What the zero population growthers have perpetrated in China is what they have in store for all of the developing sector—and for the industrialized West as well. The deepening of the economic crisis is what will force countries to accept the Malthusian logic that population growth must be curtailed. Thus, while China's population policy deserves scathing criticism, attention must also be drawn to the economic duress which drove the leaders of more than 1 billion people to restrict their numbers.

For the Malthusian policy to succeed in the United States, the last shreds of American morality will have to be scrapped. In a media blitz not unlike that targeting the developing countries, the U.S. population has been barraged by editorials on the new tradition of America's "no-child" families, on getting serious with population control, and on fighting the threat of future crime waves by eliminating burgeoning pregnancies among destitute teenagers.

Despite eye-witness accounts of handcuffed women "criminals" carted off for abortions in their seventh month, forced sterilizations, or financial penalties of up to \$3,000 for the unauthorized birth of a child, China is being heralded throughout the U.N. literature as the leader which cut its birth rate by more than half in the last 10 years. Officially, China's goal is to drop its birth rate down to five per thousand by 1985. Unofficially, some committed ZPG ideologues intend to cut China's population in half, period.

After the International Monetary Fund tightens the conditionality vise around the necks of starving African countries, coercing them to deflate their currencies, to cut critical food imports, to dismantle vital infrastructure including health and educational services, the African governments are made to confront their by now dwindling capability of feeding millions of starving citizens. After the carefully controlled argument convinces the leaders that this "surplus population" stands in the way of development, the Malthusian trap is sprung. In desperation, the countries "voluntarily" consult the genocide experts—the World Bank, the U.N. Fund for Population Activities (UNFPA), the Population Council, U.S. Agency for International Development (AID), Inter-



national Planned Parenthood, and others. It was Willy Brandt's Independent Commission on International Development and the 1981 World Bank Annual Report which called China's population control program a success and a model for all nations to follow.

These groups, as part of the U.N. Population Task Force, have targeted over 55 countries, 33 of them in Africa, for "special attention." All but five of the U.N. targets in Africa have populations which have been decimated by up to 10 years of drought and famine. It happens that at least 12 of these countries have now been slated for total economic shutdown by the elimination of funding by the International Monetary Fund. Should any government or lending agency attempt to save these countries from being wiped off the face of the earth, it will in turn be penalized by today's stormtroopers in the IMF.

Against the grain of Chinese culture

How does a program of forced sterilization and abortion come about in a country whose people have favored large, close-knit, extended families for millennia? When the present regime of the People's Republic of China came to power in 1949, it committed itself to combat the horrendous mor-



China's population potential, considered an encumbrance to economic growth by the Malthusians of East and West.

tality levels which plagued its peoples and initiated a major health care drive to extend the longevity of the population. This was so successful that the population doubled in size. In 1979 the average lifespan of the Chinese was 64 years; in India it was 51. To engage in a program that severely cuts into the infant mortality and simultaneously extends the lifespan of the population over 30 years in which the population doubles from 500 million to over a billion is not generally the thrust of a society bent on internal genocide.

Why then would a government insist on a politically disastrous program which risks massive internal rebellion among its people, genocidal atrocities by overzealous party bosses, and possible takeover of various government sectors by the U.N. ZPG maniacs and their legions of technical advisers? China's leaders have convinced themselves that they have no choice.

In 1980 a major political battle shook the top circles of the Chinese government around the issue of making the one-child family a law. It was voted down, and the policy was not made legally mandatory. The leadership recognized that the policy was antithetical to China's own cultural heritage, and would not be accepted. But a more significant answer must take into account China's primary goal since 1980—

developing the vast infrastructure of the country.

1) China needs rapid modernization. It has opened its doors to acquiring Western technology and know-how. Not since Chou En-lai's recognition that it is technology, not Mao Tse-tung's brute labor power, that is the key to modernization has there been such an emphasis on programs to build critically needed infrastructure.

2) China desperately needs foreign trade. It can only modernize through importation, and that requires foreign exchange. But China is a net food importer; here is the crux of its economic problems. Only 12% of its land is arable, yet in some areas yields are as high as in the United States. There is no doubt that with massive capital investment for irrigation and energy, China could become self-sufficient and possibly even produce a surplus.

The quandary is clear to the Foreign Exchange Ministry. As the population increases, China must relinquish its limited foreign exchange to feed its growing numbers. This eliminates the possibility of modernizing, and assures future famines, death to millions. It is not surprising, then, to learn that China's population policies are formulated in the Ministry of Foreign Trade, under the leadership of Chen Muhua Wang.

3) China does have an ambitious city-building plan and a commitment to her people, those presently residing in its choked cities and villages, as well as the expected 200 million more to be born by the year 2000. In the next 20 years, the Chinese government would like to create whole new cities to handle about 50 million people in the sparsely populated western sector of the country. Cities of 20,000 to 40,000 people will be doubled in size and modernized to house another 100 million people. These will provide another industrial base for the eastern part of the country. And finally, the smaller towns which service the agricultural areas will be built up with local industry for another 50 million citizens.

But China's scheme envisions borrowing on an enormous scale, which becomes increasingly impossible given the current crisis in the world economy. As interest rates become extortion rates and world trade declines, the possibility of China, or any other country, launching a massive infrastructure buildup evaporates.

China's commitment to population control is tied to her immediate economic predicament. As for the U.N. family of certified genocidalists, they are intent on making the China program work—against the grain of the people, against all odds—because these neo-Malthusians of the West need that success to bludgeon the rest of the globe into accepting the elimination of 2 billion people by the year 2000. China is gambling that it can control the "assistance" it receives from the West's population-reduction experts and pull out when credit becomes available. But the nature of that "assistance" from the west threatens to destroy the very fiber of the culture which has allowed China's large population to rebound after

centuries of countless famines and wars.

Chi-hsein Tuan, a research associate at the East-West Population Institute (which received a U.S. AID grant for \$7,000,000 for 1982-83 analytical activities concerning Asian/Pacific countries) explained that the government's policy "was based on a novel U-shaped transition curve. The theory is that fertility should be brought down below replacement level and kept there for a number of years, then raised to achieve replacement level fertility at the ideal population size. The pursuit of this goal has led to the single-child family program." While the hesitant leadership was unable to enforce such a program due to the decentralization of the last seven or eight years, it has also been unable to restrain the ideologues who have sprung up in crusade proportions to implement the goal at whatever cost. It was that pursuit which the Population Crisis Committee warmly praised as "surpris-

ingly effective . . . the world's most comprehensive battle to control population growth."

Four birth-control campaigns

Since the establishment of the communist regime in 1949, there have been four birth-planning campaigns:

- The First Campaign, 1956-58;
- The Second Campaign, 1962-66;
- The Wan Xi Shao (Later, Longer, Fewer) Campaign, 1971-1979;
- The One-Child Campaign, 1979 to the present.

China's initial resistance to population-control policies under Chairman Mao changed with the legalization of abortion in 1954 and the launching of a large-scale publicity campaign to control population growth in 1956, all in order to "facilitate the country's drive toward economic prosperity."

West finances China's population control

The population experts of the United Nations and its affiliated Non-Governmental Organizations are financing and promoting the population control policy of the People's Republic of China as a model for the rest of the developing sector to follow. At its 27th session in June 1980, the United Nations Governing Council approved Fund for Population Activities (UNFPA) assistance to the PRC to the tune of \$50 million for four years in support of China's comprehensive population program. The Chinese government's contribution for the program was about \$143.21 million. The participating agencies were the World Health Organization (WHO), U.N. Development Program/Asia and Pacific Programme for Development, Training, and Communication Planning, the Programme for the Introduction and Adaptation of Contraceptive Technology, the Rockefeller Foundation, and the U.N. Fund For Population Activities.

Some of the projects under the program are: population census taking, training in demography, establishing a modern professional publicity and education network for family planning, providing modern equipment for condom production, installation of oral contraceptive facilities, research in male methods of fertility regulation and strengthening of training centers for family planning personnel at provincial, prefectural, and commune levels "so as to ensure zero population growth by the year 2000."

China has also gotten an assist from other Non-Governmental Organizations. Some of those projects are:

- In 1981-82 the World Health Organization supported research in oral and injectable contraceptives, Intra-Uterine

Devices (IUDs), prostaglandins for pregnancy termination, and birth control vaccines.

- The Johns Hopkins University Program for International Education in Gynecology and Obstetrics received a grant for close to \$20,000 for reproductive health and edoscopic educational programs for physicians from China. The JHPIEGO has gained international notoriety for its population reduction policies, including the avowed intent to sterilize 25% of the fertile women in the world within the next 10 years! A group of physicians from the Johns Hopkins program signed a statement circulated by the Society for the Right to Die earlier this year endorsing euthanasia for elderly and terminally ill patients in the United States.

- With the help of the International Planned Parenthood Federation (IPPF), the China Family Planning Association was founded in May 1980, primarily to establish links with other international organizations and to mobilize volunteers to assist in the national zero population growth effort and to provide financial assistance. It officially became a member of IPPF in 1981. Besides national seminars on family planning, publicity and education for the family planning workers from the provinces and municipalities, it visits "successful" programs in other Asian countries and Family Planning Associations. IPPF grants totaled approximately \$570,000 from 1981 to 1983.

- The Programme for the Introduction and Adaptation of Contraceptive Technology (PIACT) granted a three year UNFPA contract of \$7,147,425 for providing technical assistance, training, needed equipment, and supplies to up-

When Dr. Qian Xinzong, chairman of the State Planning Commission, accepted the U.N. Population award for highest achievement in population reduction last year, he pointed to the revered Chinese economics teacher, Professor Ma Yinchu, as the major innovator in population control when his *New Theory on Population* was introduced in the early 1950s. Professor Ma, who was educated at Yale University and received his M.A. and Ph.D. in economics from Columbia, was a fervent devotee of the population theories of Parson Malthus, although he opposed abortion as a means to achieve population reduction. Simply put, the professor reversed the standard Western theory that birth rates decline as industrialization occurs, and proposed vigorous reduction of China's population, thinking in this way to accelerate development!

By 1958, the influence of Ma's "theories" came to an end

with the Great Leap Forward and Mao's plans to decentralize industry and collectivize agriculture. Professor Ma was removed from his position as the president of Beijing University in 1960 and his theories were banned from the public press.

The Great Leap Forward proved to be a Great Leap Backward into the misery of a dark age, with widespread famine and breakdown of all industry and food production. By the Chinese government's own count, over 20 million Chinese died between 1958 and 1961.

In 1962, a second birth-planning program was launched with the central government playing a much larger role, holding national conferences, and passing new, less restrictive laws on abortion, sterilization, and the distribution of contraceptives. It was the Cultural Revolution which shut down factories and disrupted these activities from 1966 to 1968.

grade and expand contraceptive production in China.

- The Rockefeller Foundation granted \$25,000 in 1980 to the Beijing University for research in reproductive biology and \$350,000 in 1979 to the Chinese Academy of Medical Sciences to evaluate studies of Gossypol as a male contraceptive.

The U.N. Economic and Social Council for Asia and the Pacific (ESCAP) is the major regional organization through which the U.N. Population Division provides its plethora of "services" and funding in the family planning arena. China is one of the 38 members of ESCAP which has participated in a UNFPA fellowship from the International Institute for Population Studies for training in the field as well as IIPS study tours for the Population Officers of China. In November 1980, China also participated in a jointly sponsored training seminar by ESCAP and the WHO Special Program of Research, Development and Research Training in Human Reproduction.

China participated in a series of activities during 1980-82 with the ESCAP Regional Population Information Center through its Clearinghouse and Information Section, which coordinated in-service training and consultancies to the China Population Information Center with UNFPA funding, while ESCAP intensified its overall program support and technical assistance for the same. ESCAP also sent regional advisers to assist China and Mongolia for the 1980 round of population census.

Other organizations such as the International Union for the Scientific Study of Population (IUSSP), the Population Council, the International Committee on the Management of Population Programmes (ICOMP), and the Japanese Organization for International Co-operation for Family Planning, Inc. have also been involved in China's program.



The United Nations experts want to extend the Chinese model of population control throughout Asia. Shown is a family planning course in India, funded by the U.N. Fund for Population Activities.

United Nations

In an attempt to discredit Mao and to sell their one-child policy, the present PRC government claims that Professor Ma's policy came under attack when Mao reversed Ma's population control efforts, eventually touching off a baby boom—the supposed cause of China's problems today. What China's leaders don't say is that Mao—although he supported the process of slaughtering more than half of the population of Kampuchea over a period of three years and destroying a generation of approximately 40 million educated youth by sending them to starve in China's hinterlands—believed that China had to have the capability of losing hundreds of thousands more people in the event of nuclear attack. Since that calamity did not occur, Zero Population Growth advocates are quick to point out that Mao's blow to China's population-control program could result in a far worse crisis if the children born then are allowed to have even one child now when they marry.

The 1971 campaign, a personal initiative of Zhou En-lai, announced three reproductive "norms": later marriage, longer spacing between births, and fewer children.

After Mao's death in 1976, the Chinese government publicly stated that the success of the famous "four modernizations" (agriculture, industry, defense, and science) depended on reaching zero-population growth in the near future. In 1979, the present one-child campaign was launched, with the most stringent measures taken to date. As China is a totalitarian regime, all such mobilizations are planned down to the village quotas, which are vigorously upheld by party bosses and bureaucrats eager to prove that they are "on the job." It is such "commandism" at the lowest levels which spurs an unblinking allegiance to whatever it takes to fulfill the quota that creates the brutal atrocities which have received so much publicity in the West. Provinces were told to take "remedial measures"—a euphemism for abortion—to reduce the birth rate in the villages. Close kin and persons with congenital and genetic diseases were prohibited from marrying.

Last May the Guangdong Province announced its latest policies: "The focal point of family planning work must be compulsory sterilization for either party, husband or wife, of those couples who already have two children." The results: 940,000 sterilizations were performed within the next six weeks. While such numbers reported either by the party bosses or by eager U.N. statisticians can be easily inflated, such a sterilization crusade by the masses is formidable indeed!

The 'Granny Police'

One of the features of China's "success" story being sold to other lesser developed countries is the total effort to cut the birth rate on the part of every level of government. These countries are told that the total infrastructure of government must be adapted to achieve ZPG. Each Chinese organizational unit is integrated vertically into a functional branch of government and horizontally into an administrative level (see

family planning chart, page 22).

On one of the lower levels of organization, factories provide each team of 16 women with a birth planning worker, a trade union worker, and a social welfare worker—all carefully involved in "family planning" activity: "No one becomes pregnant without one of us finding out." When a factory does not go over its allotted birth quota, all the workers receive a bonus.

Workers must have their factory's permission to get married and the family planning officer will decide when they can try to have a child. Once a planned birth certificate is issued, it must be presented at all prenatal examinations and is used to register the child at the police station.

Outside the factory, there is a second group watching over anyone even thinking of having a second child. The plan to maintain the one-child policy for 100 years is most ruthlessly enforced by the Women's Federation, which has officials in every one of China's 2 million villages. It is these women, China's "Granny Police," who do little more than follow and post on the village bulletin board the menstrual cycle and the contraceptive method used by each woman in the village. They accompany all women to make sure that their IUDs are in place so that no one is tempted to send a substitute in their name and thus escape detection. It is their business to know what is going on within each family.

The sharp eyes of the grannies are accompanied by 30 or so elderly women who might patrol a neighborhood, constantly delivering the one-baby message and seeing to it that no signs of unauthorized morning sickness crop up. Grannies are adept at training young children in keeping their mother's pill schedules, and when fairs are held, children are organized as the focal point of attention, singing: "Mummy only had me. We don't want any brothers or sisters. Everyone is happy. The whole house rejoices . . . la, la, la."

When one reporter for a Hong Kong newspaper visited in Huiyang Prefecture, Guangdong Province, he found that "trucks were sent into the villages to take women forcibly to hospitals for abortion, some escorted by armed personnel, some bound, and some in cages used to transport hogs. In one of its counties, the public security bureau issued arrest warrants to pregnant women on which the word 'pregnant' was entered in the space for the offense charged." At first the provincial authorities attacked these "leftist" tendencies, but the central authorities overruled them in favor of the prefecture, which was held up as a model for emulation throughout the province. The Huiyang Party Committee was then commended for its "great determination," for making a "big show of strength," for observing "the demand and the target." The prefecture was then congratulated for "speedily lowering its population growth through patient and meticulous ideological work among the masses."

The "achievement" of China's population control program was reported by Qian Xinzong, the minister in charge

of the State Family Planning Commission, who boasted that "between 1970 and 1979 the birth rate of the PRC came down from 33.59 to 17.90 per thousand, a decrease of 46.7%. The natural growth rate dropped from 25.95 to 11.7 per thousand, a decrease of 54.9% . . . from 1970 up to the present [1983], a total of 79 million births have been averted." However, as one demographic specialist from the Population Council reports, "the old birth and death rates of the '50's are widely suspected as being too low, which means that China's 'progress' in reducing fertility and mortality rates in subsequent years may actually be underestimated."

'China 2000' for population control

Official sources cited in the *Beijing Review* have declared that the "optimum population level" for China is between 650 and 700 million and that this goal should be achieved by 2080. China intends to keep her population close to the present 1.2 billion figure by the end of the century. Thus, some of Peking's population reduction enthusiasts plan to reduce the population by over 500 million over an 80 year period. The one-child policy alone will not achieve that goal. For that particular type of slaughter they have called in the experts, like *Global 2000* author Gerald Barney, who was in-

'Appropriate technology' for China's birth control

While there are a number of very highly respected physicians in China's medical facilities, this handful of doctors, trained in the West, cannot produce a modern health-care delivery system for a country of 1 billion people. So China goes on with its essentially primary health-care program, with the birth-control delivery system built right in. Mao Tse-tung's "barefoot doctor brigades" allowed each village to select one of its peasant peers to be trained as a health-care worker. These peasants participate in health-care programs by inserting Intra-Uterine Devices (IUDs), delivering babies, and performing induced abortion by vacuum aspiration methods.

According to the minister of health, each of China's 2,000 counties (each with approximately 400,000 to 600,000 people) has its own general hospital, anti-epidemic station, and maternal- and child-health hospital; 55,000 communes (with anywhere from 15,000 to 50,000 people each), or about 90%, have their own health centers; and about 700,000, or 90%, of the nation's production brigades (each with up to 3,000 workers) have their own co-operative medical centers. Because it is impossible to allocate a fully trained medical doctor to each village, a barefoot doctor or paramedic is placed within walking distance of every citizen. If you are not too sick to walk to see your paramedic, you might die waiting—there are approximately 600 citizens for each paramedic!

The number of IUDs in place in China far exceeds the total for the rest of the world. Roughly 7 in every 10 IUD users are Chinese. The most popular model with the Chinese officials, for obvious reasons, is the modified Ota ring, which can only be removed with a fine metal hook.

The Chinese were early advocates of vacuum aspira-

tion method of abortion and carried out the first clinical evaluations of the method in the 1950s. "Appropriate technology" was applied and equipment designed to meet the specific needs of rural practitioners without well-equipped clinics. A 1964 innovation was based on the traditional Chinese "cupping" therapy. The technician produced a vacuum by throwing a lighted match into a bottle containing alcohol and quickly corking the bottle. Later, a foot-operated pump was developed, small in size and of simple construction, so that barefoot doctors could perform abortions in the rural areas.

Experiments reminiscent of the Nazis

Besides research in indigenous plants with abortifacient properties, the Chinese have discovered that gossypol, a chemical derivative from cottonseed, can reduce male sperm counts. Study on the male pill started in 1980 with the Chinese Academy of Medicine, in conjunction with the Rockefeller Foundation, with funding in part from the U.N. Fund for Population Activities. The Chinese want to develop a pill that can be taken by men or women, so that the husband and wife can alternate taking the pill and thus "share any health risks."

The most outrageous research began in 1964 when the Chinese began to explore another method of male contraception: thermal treatment of the testes with hot baths, microwaves, laser beams, or supersonic radiation to suppress the normal growth of the sperm. Animal experimentation and clinical trials in more than 10 provinces have shown "promising" results. Hunan researchers found that exposing testes to temperatures of 42 to 43 degrees centigrade (about 107-8 degrees F) for 15 minutes daily for one to two weeks suppressed the spermatogenesis for three to six months. While Hitler tried x-rays to sterilize women prisoners, the Chinese population-reduction enthusiasts are trying blasts of microwaves three or four times daily on men to reduce their sperm growth.



China's campaign for the one-child family. In this poster, a "barefoot doctor" explains oral contraceptive use to the happy and prosperous mother of a single child.

vited to China last year and is reportedly working on a "China 2000" paper recommending population control methods suitable for the "specific conditions" of China.

Despite these efforts, the family planning program is failing. Even with the tremendous organization built into the system, the rural areas are not complying and the Chinese have already produced more than half of the population increase projected for the next 20 years.

It is suspected that the official figure of 70% given for the number of married women using some form of birth control in China is highly inflated. In 1979, the number of married women sterilized in China was comparable to that in India, and the United States was not far behind, with its own 1 million sterilizations a year, considered the method of choice in the United States.

A significant portion of the Chinese leadership recognizes that the long-term implications of their program are suicidal. Presently, the average age of the population is 23 years; in 20 years the average age of the population will be 50 years old—resulting in a totally diminished work force attempting to provide for an extraordinary number of dependent elderly.

Female infanticide

A considerable portion of a \$50 million grant to China from the UNFPA (see box pages 24-25) went into developing advanced computerized data systems which allowed China to have the first really accurate census taken in 1982. Chinese planners have received technical assistance from Japan, the Philippines, Canada, the United States, and the U.N. Statistical Office.

The census results? Men now outnumber women in China by 30.7 million. The *People's Daily*, the party newspaper, warns: "In 20 years, a great number of young men will be

unable to find spouses, if parents cling to their feudal thinking and kill or abandon their unwanted babies." While infanticide has historically been treated as homicide in China, it will undoubtedly continue because distraught parents are driven to desperation out of fear of not bearing a son to care for them in their old age.

The government condemns female infanticide and cases are regularly played up in the Chinese press, but it is the government's own policy which encourages the practice, through a legal loophole which allows for the birth of a second child in the event of the death of the first. It also allows up to three days for the registration of a newborn child—allowing ample time for its murder. One newspaper account tells of a father snatching his newborn daughter from the delivery table and killing her by stuffing cotton into her mouth and throwing her into a bucket of nightsoil. He was sentenced to three years imprisonment—less than the sentence given to those convicted of illegally removing a woman's Intra-Uterine Device (IUD). One doctor was executed after he was found guilty of this "offense," when he complied with the wishes of 72 of his patients.

When exposé stories like this hit the Western press, groups like the Population Institute who vigorously support China's "draconian measures" loudly protest that "the media is simply looking for a 'good' story based on the bizarre."

This nonsense was contested by author Steven Mosher in a recent interview with a representative of the Club of Life. In his book *Broken Earth*, published last year, Mosher details some of the gruesome aspects of living under the Chinese anti-growth policies. He explains that "the entire health care system has now been subverted for the purpose of the birth control programs. The commune clinic where I lived did nothing else for two months during March and April of 1980 but give women abortions and sterilize them. I am sure that other people in the commune who needed other operations died because they were not given to them. There were simply no other priorities before the push for abortion and sterilization."

Extending the Chinese model

While China's more "acceptable" methods of financial incentives and disincentives have been ruthlessly put to use in many surrounding Asian countries, India experimented with the notorious roundup of males for sterilization procedures during the period of emergency in 1975-76. Before that, over 8 million Indian males were voluntarily sterilized. Now, more and more women come to the Indian camps for a laparoscopy, which has become known as the "lunch-break operation," in which the new sterilization procedure is performed in a few minutes and has the woman back to work in a couple of hours. It is widely believed that it was the forced sterilization policy, which the World Bank supported 200%, that had Prime Minister Indira Gandhi voted out of office.

Such a lesson was not lost on the Chinese leadership.

South Korea's program of subsidizing those who agree to be sterilized effected a 70% increase in male and 55% increase in female sterilizations in one year. In Thailand, besides the campaign to produce ten thousand vasectomies in honor of the King's birthday last year, longer range incentives, including the supermarket approach, have been used. Here, villagers' applications for loans, financial benefits, and cheap housing are granted only after they have registered for contraceptives next door—all under the same roof. Student volunteers are made available to help peasants build storage tanks, irrigation systems, etc. once they submit to birth control measures.

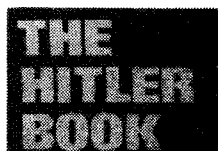
The Population Council agrees that incentives work. "Indonesia has just about cut its birth rate in half," says one representative. Long-time practitioners of birth control are given awards and free trips to Mecca. Charles Johnson, head of the AID office in Jakarta, says that "with the possible exception of China, Indonesia has now undertaken the most ambitious family planning program in the world. . . . Their success has been . . . offering of low interest loans at the community level." Several villages, in hopes of persuading their young couples to delay having children, offer a baby pig as an incentive! Keep the baby population down, but raise piglets for profit.

Why the Malthusians look to China

In *The Population Bomb*, Paul Ehrlich contends that the change from a growth-oriented society in the West to one focused on stability and conservation cannot occur unless Western values undergo a revolution that will bring them closer to the East. "That revolution," he states, "is going to be extremely difficult to pull off, since the attitudes of Western culture toward nature are deeply rooted in the Judeo-Christian tradition. Unlike people in many other cultures, we see man's basic role as that of dominating nature, rather than living in harmony with it. . . . Christianity fostered the wide spread of basic ideas of 'progress' and of time as something linear, nonrepeating, and absolute. . . . Much more basic changes are needed, perhaps of the type exemplified by the much despised 'hippie' movement—a movement that adopts most of its religious ideas from the non-Christian East. It is a movement wrapped up in Zen Buddhism."

That said, it becomes clear why China is considered the premier "pilot project" of global genocide projects. China, after all, had the kind of governmental muscle that was needed to implement the most grotesque of population control measures—no worry here of being voted out of office, as occurred in India with Mrs. Gandhi. Besides, any country which would launch, with the connivance of Henry Kissinger, the bloodiest depopulation war this century has known, in Kampuchea, has "proven itself" worthy of the attention of the population experts like McNamara.

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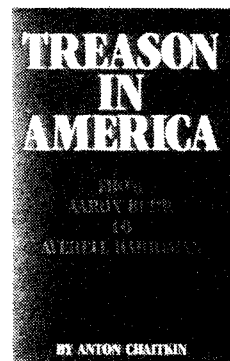


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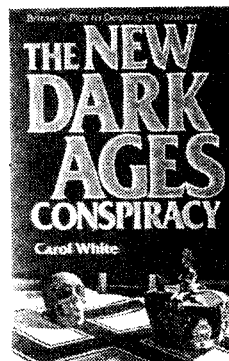


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Soviet claim to Germany challenges NATO alliance

by Our Special Correspondent

What may prove to be the first shot in the strategic confrontation this magazine has predicted the Russians were building for over this summer, was fired on Tuesday July 10. On that day Andrei Gromyko's foreign ministry delivered a formal notification to the foreign ministry of the Federal Republic of Germany that the Russian government considers the F.R.G. to be in violation of treaty agreements such as the 1945 Potsdam Agreement and the Moscow Treaty. At the same time, protest notes were delivered to U.S., British, and French government agencies, in their capacity as signatories of the Potsdam agreement, arguing the same thing. Diplomatic representations were also made to the governments of Italy, Belgium, the Netherlands, and Luxembourg. All are members of the Western European Union, a Western European political arm of the North Atlantic Treaty Organization.

The Soviet "démarche," slightly lower than an ultimatum in the diplomatic procedures institutionalized at the Congress of Vienna in 1815, followed shortly after the completion of the present phase of the largest Soviet combined arms maneuvers since the Second World War. In these maneuvers, second- and third-echelon Red Army troops were combined with first-echelon divisions from the Shock Armies stationed in East Germany to mount an exercise practicing the invasion of West Germany. Combined arms deployments of air force and Baltic naval units were included, as amphibious units and airborne troop transporters brought reinforcements into their East German staging grounds. The troop maneuver was accompanied by Warsaw Pact General Staff exercises.

As of this writing it is entirely unclear whether the Red Army units involved in the exercise have been returned to

barracks in the western Soviet Union, eastern Poland, and Czechoslovakia, or whether they have been kept on site in the northeastern, central, and southwestern staging grounds of East Germany. These ground maneuvers complemented the large-scale air, naval, and missile exercise conducted in the North Atlantic and Norwegian Sea in the month of April. Together they are supposed to demonstrate the capability to cut off and take over Western Europe.

Seen on the background of the maneuver series, the foreign ministry note (see text, below) was meant to assert Soviet intentions to dictate policy to the German Federal Republic, vetoing what is displeasing to the *nomenklatura* in Moscow under the established threat of invasion and, by extension, the unleashing of World War III. Thus the note is both a threat to the Federal Republic, and a challenge hurled at the United States to test whether we have what it takes to stand up for our alliance partners in Europe.

As this magazine, and its founding editor Lyndon H. LaRouche have reported and warned, the Russian rejection of President Reagan's March 23, 1983 offer of an alternative to nuclear war, in the form of the doctrine of Mutually Assured Survival based on the development of the weapons systems made possible by relativistic physics, was in fact a choice of policy leading into confrontation and war. As readers of this magazine are aware, LaRouche associated that Russian commitment with the hegemony of the barbarous outlook associated with the raskolnik Third Rome millennial cult of Matushka Rus. Since that time, projections of the course of Russian policy made by LaRouche in the pages of this magazine, and on national television in the course of his

campaign for the presidential nomination, have been proven to be right, where every other projection has been proven to be wrong.

The LaRouche analysis of the spring of 1983 projected a Russian command shift into a confrontation mode over the course of the next three months. Within the projected time frame, the Russian command cold-bloodedly shot down a civilian Korean airliner for violating "sacred" Soviet air space. The line officer responsible for the decision, General Guvov, has recently been promoted to deputy defense minister. At the end of 1983, LaRouche projected that the Russians were moving into a mode of global confrontation to break U.S. power. Central to Russian designs, LaRouche reported, was West Germany.

The overlooked Berlin crisis

In the early weeks of 1984, a crisis, largely unreported in the U.S. press, broke out around embattled Berlin. This crisis has continued in escalating fashion ever since. Since February of this year, the Russians have been interfering on almost a daily basis with air traffic along the corridor to West Berlin's Tempelhof airport, have interfered with rail transportation, and have been harassing Allied troops deployed as members of Military Liaison Committees, including killing one French soldier. In June of this year, the continuing crisis became acute when Allied governments formally protested the ongoing Soviet interference with air traffic patterns, and the Russians, for their part, protested West Berlin's participation in the European elections. None of these developments were featured in American news media as what they were.

Over the course of the indicated months, the Soviet method for creating crises in pursuit of their objectives has become clear. They provoke, and when their provocations go unanswered, or are answered impotently, they escalate. Their standard *modus operandi* is to kick twice as hard when their enemy is down. The problem we have in the West is that there are too many people in leading positions who enjoy being kicked when they are down.

The masochists, and Henry Kissinger-style appeasers, will now argue, as they have already begun to, that the Soviet threat is, of all things, a negotiating offer. These will be the same kind of people who argued against mounting an effective defense of the Gemayel government in Lebanon, and who, like Henry Kissinger's friends in the FBI, reject all evidence that shows Soviet coordination of the international peace movement, including the Greens in the Federal Republic of Germany, while arguing that the Soviets have no designs on West Germany or Western Europe, but are merely "upset" about the deployment of Pershing missiles.

Now, anyone who argues in favor of the ludicrous proposition that the Russians have a right to do anything on the basis of the Potsdam Accords of 1945 will actually be merely exposing himself or herself as an agent of Russian imperial influence. The claim is simply part of the Russian lying

campaign to build up a pretext to pull the Federal Republic out of the alliance by arguing that all opponents of Russian policy inside the Federal Republic are continuers of Nazism.

Molotov's rehabilitation

This slander has been repeated in the Soviet press over the last months, directed against individuals and institutions within the Federal Republic who have proposed to defend the alliance with the United States. Particularly venomous have been the Soviet attacks on those who have defended the Strategic Defense Initiative from within Germany. Yet, the same Russians have just rehabilitated the architect of the Hitler-Stalin Pact, 94-year-old former Foreign Minister Molotov, and maintain a functioning international alliance, including within the United States, with members of the Nazi international, typified by the National Action Party, PAN, in Mexico. In the document, it will be noted, the present Federal German government is called, insultingly, "one of the legal heirs of the former Reich." It was, incidentally, the Russians who themselves voided the Potsdam accord with their Berlin blockade of 1947. Hitler, it will be recalled, had his legal pretexts for annexation, too.

If the citing of the Potsdam agreement is ludicrous, the complaints about the decision of the Western European Union to permit the Federal Republic the construction of certain classes of weapons and the deployment of missiles are equally absurd. To take the latter first, the Russians, as we have repeatedly stated, were never concerned by the deployment of the so-called Euromissiles as such. Militarily, they had developed counters before the deployment began. Politically, the deployment enabled them to fund and organize a peace movement against the missiles, while fostering efforts to split Europe away from the United States. So much for their concern about threats arising from what they call "German soil." Nor are they concerned as such about measures which foster conventional arms industries within the Federal Republic, as the Western European Union decision does.

What the Russians have been concerned about, since March 23, 1983, is the U.S. adoption of a policy of development of weapons systems based on new physical principles to neutralize the offensive capability represented by ICBMs and IRBMs. This decision threatened to undo almost overnight a strategy which the Soviets had pursued since approximately 1957. In that year, the Russians concluded a series of agreements with forces in the West typified by Lord Bertrand Russell and Leo Szilard, founders of the Pugwash movement. Under the terms of that agreement, the West adopted the military policy called "Mutually Assured Destruction." In the name of this doctrine, the Western nations have stripped out their scientific, technological, and economic base, under the delusion that since nuclear weapons will destroy everyone, nuclear war will never be fought, and thus, in consequence, that the classical logistical backup for in-depth capability need no longer be maintained.

The Russians never accepted this doctrine, as anyone

who reads Marshal Sokolovskii knows. While the Western nations followed their chosen path of self-destruction, the Soviet command patiently built up the capabilities that are evidenced in their maneuvers today. Their strategy was to let the West destroy itself from within, and then take everything.

The Strategic Defense Initiative represents the capability to rejuvenate the decaying industries and economies of the West, to mobilize the superior potentialities of Western culture, based historically on the idea of the freedom and equality of the individual to contribute to universal progress, over the collective blood and soil ideologies of the East. Hence the pathological Russian commitment to stop that initiative, and overthrow the President who launched it.

If this is not correctly understood, in the way LaRouche has presented the matter over the last months on national television—beginning with his January call for the declaration of an Emergency National Defense Mobilization—and in published locations including this magazine, there will be no effective counter to what the Russian imperialists have set out to accomplish. The Russian assault on Germany proceeds from their commitment to destroy the United States as a world power before the potentials represented by the Strategic Defense Initiative can be realized.

The shoe just dropped on one of the crises that, it was said, could not occur during a U.S. election year. There is a second shoe to fall, the one that has gone by the name of the international debt crisis. Thanks to Paul Volcker, a recent visitor to Hungary, control over the destiny of the U.S. banking system has passed into the hands of certain circles in Europe. These circles control the external sources of liquidity which enable U.S. bankers to maintain the fiction that they are still afloat. Such European circles, like the central bankers of London, Basel, and Bonn, would readily deliver the crisis that brings Fritz Mondale to power in the United States, if forced to choose between that and the time-bomb that the Russians have set ticking away with their Potsdam *démarche*. If that international piece of blackmail is not answered by the kind of \$200 billion gearup of the Strategic Defense Initiative LaRouche has proposed, the Russians next kick may well be aimed at overturning the bankrupt credit structures of the Western world. By that time it will be too late to shed the illusions of electoral politics as usual.

Documentation

Text of Soviet 'memorandum' to West Germany

The following memorandum was sent to the Bonn government on July 10, 1984, and released by TASS on July 12 in Moscow:

According to an official announcement of the General Secretariat of the Western European Union, the council of the

organization took the decision at the request of the government of the Federal Republic of Germany to lift the ban imposed under international agreements of the production of strategic bomber aviation and long-range missiles in West Germany.

In this way, contrary to international agreements and decisions, West Germany is securing a possibility to develop and deploy its own long-range offensive weapons capable of posing a threat to the security not only of its neighbors but also of distant states. Statements that the Federal Republic is not yet going to exploit that possibility do not change the substance of the matter, of course. As everyone knows, whenever West Germany has had any restriction lifted, it has used it to build up its military potential which has long exceeded the sensible defense needs of the Federal Republic of Germany.

It can also be hardly considered accidental that this new dangerous step is being taken by the government of the F.R.G. immediately after the beginning of deployment in the territory of the country of what are in fact strategic American first strike nuclear weapons aimed at the U.S.S.R. and its allies.

The above-mentioned actions of the government of the F.R.G. are in direct contradiction with its declared commitment to the cause of military *détente*, development of confidence and good neighborly cooperation. The line for turning the territory of the F.R.G. into a staging ground for making a first strike and for acquiring its own offensive arms does not agree with its repeated assurances concerning the exclusively defensive character of the military doctrine of the F.R.G. and its army. Such a line gives rise to a legitimate question about the aims pursued and in general about the direction of the F.R.G.'s policy. This question is all the more justified since no one threatens the F.R.G. or makes any territorial claims to it.

It should be recalled in this connection that devolving on the F.R.G. as one of the legal heirs to the former Reich is the commitment established by the Potsdam Agreements that no threat to neighboring states or the world at large should ever come from German soil. This commitment must be observed undeviatingly.

The Soviet side expects the federal government to take this address most seriously and to weigh carefully all those negative consequences that would inevitably arise should the F.R.G. really embark on the road of creating its own long-range offensive armaments. In accordance with the spirit and letter of the Potsdam Agreement, the Moscow Treaty, and the Helsinki Final Act, it is the duty of the government of the F.R.G. to work, not for the aggravation, but for lessening of military confrontation in Europe, not for the arms race, but for disarmament, not for undermining security, but for stability and for the development of peaceful relations between all European states. No one can relieve the government of the F.R.G. of this duty to the peoples of Europe and its own people.

KGB-linked 'scientists' at Göttingen: three months to stop beam defense

by Luba George

Over the weekend of July 7-8, a conference, "Scientists Against Militarization of Space," was held in the university town of Göttingen, West Germany. Its purpose was to launch, as participating anti-American "peace" organizers and "scientists" stressed, "the most intensive campaign ever seen in the history of the peace movement to stop the militarization of space." Both Soviet government dailies, *Pravda* and *Izvestia*, gave front-page play to the conference.

The 2,500 participants included the pro-Mondale, KGB-linked U.S. congressman, George Brown; N. Walker of the American "freeze" movement, foreign policy advisor of Jesse Jackson; former Kissinger State Department official Dr. Leonard Meeker; former astronaut Richard S. Schweikart; a number of Soviet officials; West German Communist Party representatives; and leading peace activists and "scientists." Together, they declared war on President Reagan's Strategic Defense Initiative (SDI).

The leitmotif of the conference was the call for action before the November elections to stop development of beam weapons.

"We are targeting 30 Congressmen, 10 Senators, and 1 President," exclaimed Brown. R. Schweikart, the astronaut-turned-kook, added: "If we can't get rid of him, then we will force Reagan to compromise [with the Soviets] or at least to declare his willingness to negotiate a ban on ASAT and beam weapons."

Linus Pauling of Pugwash and the Union of Concerned Scientists appealed to the participants to build the "biggest ever peace movement" in Europe to pressure the United States to stop the SDI. "The nuclear-free zone in Europe will not come to pass as long as the threat of these first-use weapons is regarded as an essential deterrent," he warned.

SDI is 'casus belli'

Speaker after speaker declared the oft-repeated Kremlin blackmail and intimidation line: "The SDI is a casus belli"—U.S. development of an ABM system would "justify" the Soviet Union going to war.

Keynote speaker Victor Weisskopf, a member of the Pugwash "disarmament" movement, on the first day of the conference declared that "time is running out to change the present collision course. . . . Very few people know how dangerous the situation is at the moment." The "collision

course," lied Weisskopf, has been caused by President Reagan's pursuit of the SDI.

"The pursuit of the SDI . . . is an illusory and dangerous dream . . . far from any technical possibility for many decades if not forever," declared Weisskopf. But in the same breath, he stated that this "impossible" dream "would drive the Soviet Union to the wall and [Moscow] would go to the limit and beyond in order to prevent the perceived superiority from being realized."

Former Kissinger State Department official Meeker chimed in: "If we don't ban U.S. development of the ABM and ASAT system . . . this could lead to a preemptive strike." The Soviet representative, Irakli Gverdsiteli, member of the Institute for International Relations and World Economy (IMEMO), also warned of the "apocalyptic visions" guiding the pursuit of this "diabolic science." Prof. Ulrich Albrecht from the Free University of West Berlin and protégé of Robert Jungk, the guru of the European green-peace movement, compared Reagan's beam-weapons program to "Leonardo da Vinci's illusory pursuit of the 'absolute weapon.' "

'Göttingen Declaration'

At the end of the conference, the participants adopted an "independent European" resolution called the "Göttingen Declaration," drafted by scientists linked to the West German Communist Party. Stressing that "now is the time to stop President Reagan's plans to militarize outer space . . . *before it's too late*," the resolution calls on all governments to work out and sign treaties to "ban the deployment and testing and use of all weapons in space." The resolution includes a ban on military satellites, saying that spying increases the war danger, and proposes an "independent" European verification system.

Socialist International chairman Willy Brandt sent a message of praise, and on the last day, S. Kulic from Moscow's U.S.A./Canada Institute declared: "I am very pleased with the outcome of the congress. . . . Our views and the views expressed here on arms control and disarmament are very similar. We must do everything possible to stop this mad and illogical arms race in space."

Among the material distributed was the West German Communist Party (DKP) publication, *Informationsdienst Wissenschaft und Frieden*, which denounced President Rea-

gan's program as well as *EIR* and *Fusion* magazines for supporting it. Both publications are associated with Lyndon H. LaRouche, the intellectual architect of the SDI.

Pugwashers vow to stop space weapons

Excerpts from the keynote speech of Victor Weisskopf, Professor at MIT, and member of the Pugwash "disarmament" movement.

At this moment in history the two superpowers are on a collision course. . . . Some people in the United States dream of reaching military superiority over the Soviet Union by technological advances, which they may not be able to duplicate. . . .

President Reagan's speech of March 23rd . . . the Strategic Defense Initiative . . . promising an impenetrable defense system that is sufficiently protected against any nuclear attack . . . is being vigorously challenged. . . . Nobody believes in the government that real defense is possible. This is an illusory and dangerous dream. It's not 100% effective. It's part of a first-strike strategy . . . destabilizing and only 80% effective. . . . Unfortunately, people like Edward Teller are the image for young scientists working on lasers at the Livermore Labs. Lasers are impossible. . . . If the United States does produce them, then the Soviets will do the same. Such projects are far from any technical possibility for many decades if not forever. . . .

If the United States is perceived to be on the way to becoming superior, either offensively or defensively, even if it is not actually so . . . it would drive the Soviet Union to the wall. . . . They would go to the limit and beyond in order to prevent the perceived superiority from being realized. They may interfere by force against the threatening U.S. buildup, unleashing the catastrophe which was to be prevented by attempting superiority. We must realize that it is the perception of such an attempt, not necessarily the actual attempt that counts. . . . This is a destabilizing condition. Any misinterpretation of actions by the opponent can lead to an escalating conflict, if a defensive act is interpreted as an offensive one. . . . The pursuit of the SDI would require the abrogation of the ABM treaty.

Surely the other side has good reasons to condemn the actions of the United States, in particular . . . the Strategic Defense Initiative . . . instigated by the Reagan administration. . . . In trying to understand some of the countermeasures and actions of the Soviet Union, we must consider the trying circumstances of the present situation. The large conventional forces of the Soviet Union and the overly large number of SS-20 missiles have as one of their purposes the deterrence of Western Europe from helping revolts or sup-

porting incipient anti-Soviet governments in Eastern Europe. . . .

A nuclear-free zone in Europe will not come to pass as long as the threat of first-use is regarded as an essential deterrent. A special responsibility falls on Europe in these matters. . . . Hitler was the last example of what such policies could lead to. . . . We don't have much time. The longer we wait the more difficult it will be to change the situation around. . . .

Independent actions have to be taken to: 1) reduce the missile force by a certain percentage and wait for a reaction of the other side; 2) reduce or abolish "mirved" missiles and replace them with single warheads; 3) strengthen the conventional defense in Europe in such a way that it cannot be perceived as a means of aggression.

Declare: 1) no first use of nuclear weapons; 2) no intention to abolish or subvert allies or potential allies of the other superpower; 3) never introduce launch-on-warning.

Negotiate: 1) nuclear arms reductions; keep SALT I and the ABM treaty; ratify SALT II; 2) a comprehensive test ban; 3) a nuclear-free zone in Europe; 4) abolish tactical nuclear weapons.

Excerpts of speech by Hans-Peter Dürr, Director of the Max Planck Institute for Physics and Astrophysics, Munich.

Reagan's March 23rd televised speech has challenged American scientists and technicians to develop a new all-encompassing defense system against strategic nuclear rockets, which is to make the up-till-now unstable strategy of nuclear deterrence obsolete. . . .

Such a defense shield against nuclear rockets is physically and technically unfeasible . . . and it cannot effectively bring us out of our military dilemma. On the contrary, such a step would further intensify the dreadful escalation and the alarming destabilization of the present parity between the two superpowers. . . .

Excerpts of speech by Rep. George Brown (D-Calif.).

The SDI is a first-strike policy. Reagan's Star Wars speech promising the absolute weapon for defense is a great hoax being fed to the American people. . . . The seemingly defensive idea is offensive in character. . . . We in America are in favor of freeze and oppose further militarization of our own country and in space. . . . There will be a lot of activity between now and November. . . . We are launching a "Campaign Freeze Vote '84" to stop Reagan's plans to militarize space. . . . We are targeting 30 congressmen, 10 senators, and 1 President. . . .

Excerpts of speech by Russell L. Schweikart, former U.S. astronaut.

My colleagues in the Soviet Union agree . . . to the necessity

of short-term opportunities. We must get the message to the general public that the steps being proposed by the Reagan administration to militarize space are steps that do not increase security as the American public is being told, but will decrease security. The United States should negotiate the ASAT treaty and ban all weapons in space. . . . If we can't get rid of him, then we have to force Reagan to at least make a statement of principle to negotiate an arms control treaty banning weapons in space. . . . There may be some hope to move Reagan in that direction. . . . Space must not be allowed to be dominated by fears, suspicion, and distrust. . . .

'Kissinger is the spirit behind our conference'

Victor Weisskopf had the following exchange with journalists at the Göttingen conference.

Q: How would the former secretary of state, Dr. Kissinger, view the policy guidelines established here at Göttingen this weekend?

Weisskopf: I am very pleased with the change Kissinger has made recently. We are thinking and working in parallel ways. . . . Yes, you can say that Kissinger's spirit is behind this Conference. He wrote an excellent article this March which was published in *Time* magazine. . . . We are taking his proposals ["decoupling" Europe from the United States] quite seriously. . . . and pushing it one step further. The Göttingen conference will be putting pressure on Europeans to take special responsibility to work out and develop their own independent arms control proposals and establish their own verification monitoring agency.

Q: What are Dr. Kissinger's chances of becoming the next secretary of state if Reagan is reelected?

Weisskopf: Don't be too sure the Democrats will not make it. But if Reagan should be re-elected, which is probable, Kissinger's chances for becoming the next secretary of state are not very likely *but not to be excluded*. . . . He's extremely unpopular in the United States. . . . But, as I said, it is not to be excluded. It's very hopeful that Reagan can be forced to make some kind of deal with the Soviets. . . . And in a Reagan re-election, the Soviets will not take Reagan's proposal for negotiations seriously unless Kissinger is brought in. Kissinger is the only man whom the Soviets would trust.

Weisskopf advised American journalists to use all possible means to promote Kissinger in the months leading up to the elections, "to improve the climate" around his potential nomination as secretary of state.

From space, as an astronaut, I saw *one world*, one people, and one life. . . . We are all citizens of this planet. . . . Ich bin *nicht* ein Berliner. . . . Ich bin du and du bist ich and wir sind alle Weltbürger [I am *not* a Berliner. . . . I am you and you are I and we are all world citizens].

Excerpts of speech by Linus Pauling, member of the Pugwash movement and of East Germany's Leopoldina Academy of Natural Sciences.

The biggest trouble is controlling the administration in the United States. That's what we have to work on now. My Democratic friends think we have a chance. Even if Reagan is re-elected, we have an opportunity in November to change Congress in such a way that he will not have an easy time like in the last four years. The job that has to be done by the peace movement in the United States is to fight against Reagan's program of militarization of space in the next few months. We must stop this insanity. . . . Nuclear Winter will come . . . if we don't stop it. . . . In the United States the people support Reagan's SDI program because they are lied to about the missile gap. . . . Working through channels in the government will not succeed. We have to have the greatest mass movement the world has ever seen if we want to prevent nuclear war.

Excerpts of speech by Dr. Leonard Meeker, former State Department official from 1951 to 1973, former Ambassador to Romania.

There are great strategic and political consequences if militarization is extended to space. The superpowers are at the crossroads. Now is the time to stop this course. About 15 years ago the choice of MIRVs was made. The United States developed it and shortly afterward the Soviets did the same. Everybody regrets it. Another choice was presented: ABM treaty. The treaty, however, has loopholes. These loopholes permit the *testing* of the ABM system . . . deployment is prohibited. The recent HOE test is the beginning of an anti-satellite weapons system. The Soviets have also been testing it for years. Now the United States is developing the F-15 system so that it could attack satellites at an altitude of several thousand kilometers . . . and this is not at the end of the line. There will be unforeseen consequences if we don't ban U.S. development of the ABM system. . . . It will increase the fear of the Soviets that their own deterrent capacity is no longer effective and force them to work on countermeasures. This could lead to a preemptive strike. . . .

The draft resolution treaty presented at Göttingen is a comprehensive, constructive effort with important provisions. Time is short. After another year or two practical steps will have been taken which may render impossible real control of anti-satellite weapons. . . . Now is the time to do something about it. There is hope that next September may lead to some practical steps to a treaty. . . .

Refute Soviet charge of Shuttle espionage

by James E. Oberg

The Soviet Union claimed that KAL-007 was on a spy mission ever since a Soviet fighter pilot was ordered to shoot the plane down, murdering 269 civilians, on Sept. 1, 1983. In mid-June, the British Defense Attaché magazine, under a "P. Q. Mann" byline, published a "detailed study" of the incident, according to the Soviet news agency TASS, concluding that this "violation of the air space of the U.S.S.R. was not all 'by chance.'" It even "pointed out that the crew of the [space shuttle] Challenger performed the role of the coordinator of the entire espionage operation." James E. Oberg, a space engineer in Houston, Texas working on the space shuttle project, sent the following "Open Letter to Free World Editors" refuting such charges.

There has recently been a media flap over the allegation that NASA's space shuttle *Challenger* was directly involved in some anti-Soviet espionage in concert with the doomed Korean airliner of flight KAL-007 last Sept. 1. The fact that this preposterous fantasy was given the slightest credence by any supposedly responsible newsmen is appalling. This seems to be yet another example of the widespread passion to rush to publish the vilest slanders as long as they are anti-American, without any attempt to verify factual plausibility with experts.

Merely checking with experts could easily have established the fact that the claims were physically impossible: The shuttle's orbit of 300 kilometers altitude, inclined 28 degrees to the equator, put it over the curvature of the Earth with regard to all locations involved in the airliner atrocity. No radio signals could possibly have been exchanged, a limitation set not by policy or practice but by natural law. Yet many leading news media sources merely mentioned "official denials" without reference to the absolute physical impossibility of the scenario. Some nitwit at NBC-TV news in New York even created a graphic illustration of the claim showing the space shuttle hovering over Alaska as the airliner relayed radio spy data.

. . . At the time the airliner was destroyed, *Challenger* was over central Africa and the astronauts were asleep. On earlier passes across the Pacific, the spacecraft was never closer than 3,800 kilometers to the doomed plane—almost twice the effective radio range.

Published claims that an earlier scenario of aircraft/satellite coordination in 1964 set the precedent for last year's exercises are also not based on reality. The satellite which

"P. Q. Mann" designated an electronic "ferret" was nothing of the sort: It was one of the "P-35" series of military meteorological observers which later evolved into the still-existent DMSP ("Defense Meteorological Support Program") series. This would have been obvious to an expert, since the 1964 satellite was in a retrograde polar orbit of the type called "sun-synchronous"—a trajectory utilized almost exclusively for optical observation satellites. This kind of orbit automatically places the satellite over the same locations at the same clock times, a characteristic which "P. Q. Mann" found—in his obvious ignorance—to be "too coincidental." Electronic eavesdropping satellites (so-called "ferrets") of that era followed distinctly different orbital paths: the Air Force version had an inclination of 82 degrees and the naval version 70 degrees. All these facts would have been almost instantly available to anyone consulting with any expert. . . . But despite the widespread media attention to this claim, not a single newsmen has published these facts.

Moscow propaganda theme

The alacrity with which this claim was picked up by the Soviet press, along with the precise way it fits into some current Moscow propaganda themes, is a sure sign that it should be regarded with considerably more skepticism than many newsmen gave it. This malignant falsification provides Moscow with further artificial justification to claim that future military shuttle missions deserve the same gruesome fate the Soviets still unwaveringly and unapologetically insist the Korean airliner so "justly" received. In my opinion, it is disgusting how eagerly any anti-American slander can be spread and trumpeted in the Western news media, with a negligence bordering on the criminal. Such a severe judgment is justified in this case, since such downright dangerous fabrications encourage violent acts against innocent men and women aboard future space shuttles.

The oft-used excuse of journalistic naiveté is wearing thin. It is harder and harder to dismiss the promulgation of such preposterous fantasies merely as the ignorant blunderings of well-meaning but scientifically illiterate writers and incompetent sensation-seeking editors. In my judgment, anyone—newsmen, researcher, or citizen—who believed even for a moment that America's Space Shuttle could be deliberately involved in any activity risking innocent lives must be sick in the head or the heart. The story was *a priori* absurd and viciously insulting.

This particular article, arguably an obviously planted piece of Soviet disinformation, may serve as a "touchstone" for the ideological loyalties of Western public figures. As already mentioned, anybody who originally gave it even a moment's credibility is, in my opinion, sick; anyone who subsequently repeats it as a legitimate theory is flaunting their ignorance and/or their intellectual enslavement to the enemies of truth and freedom.

Does a KGB spy work for Sweden's Palme?

by Göran Haglund

"There is a KGB man in the circle around Prime Minister Olof Palme. This is what Norwegian spy Arne Treholt has told the Norwegian security police, according to the French weekly *VSD*." Thus began an article in the Swedish Social Democratic newspaper *Aftonbladet* on July 9, under the frontpage headline, "KGB Man Works for Palme."

The report in the July 5-11 issue of the French weekly *Vendredi, Samedi, Dimanche* about a KGB agent in the immediate circle of the Swedish prime minister, has been picked up by the Danish newspaper *Jyllands-Posten*, the West German *Frankfurter Allgemeine Zeitung*, and now even by *Aftonbladet*, the largest-circulation Social Democratic newspaper in Palmeland itself.

The international exposure, severely compromising Olof Palme, largely parallels similar revelations published by the *Executive Intelligence Review* and its international news service, NSIPS, throughout Europe. It also follows the virtual hand-to-hand combat against Palme's cronies that the representatives of this magazine have been forced to engage in at the Stockholm Arlanda airport, as reported in last week's *EIR* editorial. After pointed *EIR* exposés of Palme's systematic policy of selling out to the Soviet Union, Palme has decided to attempt an illegal ban of *EIR* sales at the main Stockholm airport.

Palme's Eastern connection

Now, it appears that more people—including some within Palme's own party—have been stirred to speak up about Palme's Eastern connection. Curiously, the July 9 *Aftonbladet* exposure of Palme reappeared a second time on July 10, with a note explaining that the reason for republishing the same article was that in some editions of the July 9 issue, due to a printing press malfunction, some pages had come out completely blank, among them the inside page carrying the article about Palme and the KGB!

While the debate has been opened over Palme's links to the KGB, the evidence of Soviet policy inputs into the oh-so-neutral Stockholm cabinet are accumulating. In the East German Defense Ministry weekly *Volksarmee*, Swedish De-

fense Minister Anders Thunborg is cited, during his recent visit to East Berlin, expressing "his conviction that the visit will further develop the cooperation between the two states *and their armies* [emphasis added]."

Shortly after the defense minister, self-professed peace emissary Palme himself paid a visit to the court of East German party chief Erich Honecker, arriving at the Peenemuende military airbase on June 29, amid the largest East European Soviet military maneuvers since the war, yet embracing his East German hosts as warmly as ever.

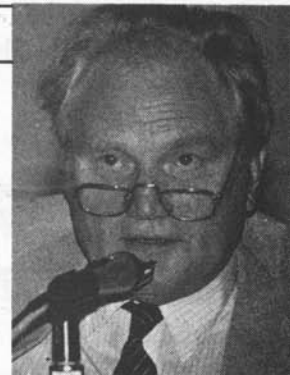
As a sign of the times, the Swedish armed forces have been sent on vacation. Sweden's biggest and northernmost airbase, that of Wing F21 in Luleå, which is responsible for guarding Sweden's northern flank facing the giant Soviet military base at Murmansk, has been closed for a three-week vacation. The entire Swedish northern coast, 40% of Sweden's vast coastline, is patrolled by *one* small boat. The general preparedness of the country is a joke, with the armed forces reduced to 25-40% of normal strength. Only 53 of the Swedish Navy's 125 major vessels are manned, and a mere 125 of 450 combat aircraft are manned.

Yet another outrageous example is that Arlanda International Airport outside Stockholm is totally defenseless. One expert commented, "The Soviets could land one full Airborne Division there unopposed, then drive in style to Stockholm and occupy it." Through precisely such methods—the rapid seizure of key unguarded airfields—the Nazi surprise attack "Weser Exercise" ["Weserübung"] against Norway in April 1940 succeeded in occupying all critical points within 24 hours.

The total standing force of the army and coastal artillery is down to 20,000 men, of whom 13,000 are recruits who have had a maximum of three months of basic training, often without rifle-range training and therefore armed with sticks! After 4 p.m. weekdays and from Friday afternoon to Monday morning, bases have only a skeleton staff of a maximum 20 men per regiment, which makes a grand total of 1,000 unprepared men for Sweden's 50 peacetime regiments combined.

The nation's capital, Stockholm, is guarded after 4 p.m. and on weekends by 60 armed soldiers, of which 40 represent the Palace Guard and 20 the weekend force at the capital's Coastal Artillery base K1. On top of all this, Palme has just ordered the Swedish Commander-in-Chief, Gen. Ljung, to work out plans for how to eliminate Sweden's four armored brigades!

In a comment to the press, the Swedish Defense Staff, neutral as it is, said things aren't as bad as they seem. First of all, the "military situation in Europe is calm right now," and second, all of the other countries around the Baltic also take vacations. Presumably, the hundreds of thousands of Warsaw Pact troops training for blitzkrieg actions and amphibious landings on the Baltic coast were merely having a summer picnic.



Sweden is becoming the model for a new police state

Lennart Hane is an internationally known attorney from Stockholm, an authority on the comparative legal systems of the Soviet Union, Czechoslovakia, East Germany, and Nazi Germany. He has been engaged in a 14-year fight to reverse what he sees as the conversion of Sweden, using legal statutes and carefully-drafted legislation, into a totalitarian police state. The reader should find it useful to note that Mr. Hane's descriptions coincide with the period (1969-1976 and 1982-present) when Socialist International Prime Minister Olof Palme held office. Mr. Hane is the author of numerous books, including The Third World War: Soviet Conquest of Sweden by Legal Means, which is as yet unpublished because of blacklisting inside Sweden. His 1980 Confiscation of Our Children was cited in a recent exposé by Der Spiegel of Sweden's "Kinder-Gulag." Mr. Hane was interviewed by William Engdahl during the July 4 founding conference of the Schiller Institute in Arlington, Virginia.

EIR: Mr. Hane, how did you first get involved in this fight against the direction the Swedish legal code is taking?

Hane: It started in 1969. I observed that the Swedish media propaganda then changed in a pro-communistic direction. At first I thought this no danger because the people had the common sense to think. But in January 1970 a legislative proposal was introduced into the Riksdag [Swedish Parliament] by the Social Democrats to change the existing procedure in order to give citizens free legal aid attorneys. At the same time they proposed a new bureaucracy—a State Judicial Board—a kind of new central authority over all lawyers and judges. They then claimed that this so-called reform was built on the fact that the poor have no chance to get good lawyers. I knew that this justification was a lie, that their real objective was to create this new power to control the legal profession, to make them dependent upon the state for jobs, money. I then started to study what was going on because this frightened me.

Meanwhile, very extensive propaganda went out to convince the Swedish population that our legal system and our court system were so very old and built only to favor the rich.

The press also began to attack judges, saying that they came from the "wrong social group"—middle class or academics. Our minister of justice at that time, Lennart Geijer, was going around the country criticizing judges and lawyers.

This law was a prototypical model. The government promises the people something they do not need, and the reality is instead that the government gets a new unlimited power in a certain area of law. This is the model for practically all the approximately 20,000 new laws in Sweden since 1970.

The latest one is a proposal by the government to fight so-called "Economic Crimes." This is a sociological term, not at all convenient as a legal definition but very useful for its backers. "Economic crime" as defined in the new laws encompasses practically everything, especially regarding entrepreneurs or self-employed businessmen. If, for example, they do something wrong in their books, accounting, or tax payments, then this is considered very serious. The government has thus changed the attention of the entire population. There was a recent case where a man was robbed of \$60,000 at knife-point in his own home. The police caught the robber, who got two years in prison. The fellow who was robbed got three years in prison because he should have revealed where the money came from. The state regards this new crime as more serious than armed robbery.

Today the government is introducing a new law according to which auditors and lawyers are to be called "advisers" to businessmen. The government argues that the problem of stopping so-called economic crimes is so great that it is necessary to attack the ones who advise the businessmen—their auditors and lawyers.

The proposed law says that the government can temporarily prohibit lawyers from practicing their profession, *until* a court has given its final verdict in a trial. The lawyer so attacked cannot defend himself against this "interim prohibition." Within, say, a typical six-month trial, I could be ruined, lose my office, practice, etc. And the "crime"? If the advice I give a client is not even criminal according to the existing law, *but* it is *otillboerlig*—inappropriate—this then

becomes the basis for criminal proceedings against the lawyer. *Otillboerlig* is an intentionally vague blanket term, often used in the new field of consumer-rights law, which can cover practically anything.

Also, under the new law, the government could arrange to have an "informer" or false client visit the lawyer and then charge that the lawyer advised him to do such and such. In reality, this would not be so, but the lawyer has the total burden to prove this to the judge. The result is to cause the legal profession to leave the practice of law, to go to prison, or to become agents for the state.

During the Middle Ages, we had "witch trials." An accused witch had to prove she was not a witch, impossible, of course, under the terms given her. She was put into a river. If she drowned, she was not a witch. If she did not drown, she was a witch and burned for it. . . . It is the same with the laws for economic crimes.

The model is exactly the same in each area. It only varies in the use of the word which is the "general term" for the specific law. The state has taken these new regulations and created new bureaucratic committees and new advisory groups with the right to determine when and how to use these new laws, even outside the juridical system, to permit or to punish according to some very vaguely defined situation.

Those in Parliament have no chance to follow or to control the process because it is going ahead so rapidly. One legislative proposal, for example, could have a text together with an investigative report and official discussion totaling 200-1,000 pages. This gives the Parliament member who would want to control the process no chance to do so effectively.

The government also has developed a special technique when it wants to gain passage of an especially dangerous new law, a three-step technique:

- 1) Heavy propaganda: open a door to something which gives the State new power, but not unlimited power.

- 2) Launch a media and other propaganda offensive to say that the new rule in Step 1 has not really solved any problem, but only shaped new ones—a kind of "self-criticism." The upshot here is to give the State broader powers than in Step 1.

- 3) Then the advocates of the new law refer to Step 2, saying that it wasn't so dangerous after all, and declare that they need more power. They argue that there is really no danger of abuse as cases will be heard by a judge. . . .

This three-step process is the form of the attack on private property ownership in Sweden. Previously, we had laws for expropriation of inadequately maintained buildings. The State could buy it. A court set a fair value. This law worked. We had an enormous and effective control over landlords. Now,

under a new law, a court can demand a specified maintenance be carried out without taking into account the owner's account of the condition of the house, but only "subjective feelings of tenants." Then, the State can jail the owner for three months if he has not given the State the money to rebuild the building. This law is an exact copy of a law in East Germany under which the State took over ownership of all housing. This is called "social functionalism"—the legal owner becomes owner in name only.

EIR: You have been interviewed in *Der Spiegel* and elsewhere on what has been termed the Swedish "Kinder-Gulag," referring to Stalin's notorious Gulag Archipelago for children. Why do you refer to Swedish legal conditions as based on the Soviet model?

Hane: The total State power over the family in Sweden via these new laws is similar to the Soviet model in two ways:

- 1) Use of this "general clause";

- 2) A representative for the State has the right to lay out standards for the private family in both positive and negative directions.

For example, you have no right to educate your child in "an extreme religious direction." The next step is to say that all religious behavior is "extreme." As well, affirmatively, "You have to educate your own child to behave in X manner." If *not*, the social authorities have the right immediately, by police force, to take the child from its own home for a so-called investigation. In other words, the process starts by taking the child rather than with an investigation. Then the State accuses the parents in abstract terms, vague words rather than specific description. For example, the State accuses in 60-80% of child cases today that "the relationship is not good," or "you do not give your child enough (or even too much) love," and so on.

Parents can be accused under the new laws of "symbiosis." This is supposed to mean a too-near relationship especially between child and mother. The term was stolen from botany, from plant growth. The psychologist or social worker becomes the real judge in the case.

When, in the late 1960s the "Marxists" took over the sociology and social work faculties in the universities in Sweden, at first I could not understand what great interest it had for them. But now I see that it was very clever because the State has to pay for a totalitarian army of social workers. And this "army" destroys the traditional State arrangement. I had a witness testify in a court trial. She had been hired by the State to help out a mother three days a week with her young child. She in fact was a "Trojan Horse," a spy in the house who accused that the mother loved her boy "not in a correct way," because she said that the mother, when she played with her child did not play on *his* conditions, but on her own. This is very simply the Marxist ideology of the

social worker imposed on the family by the State.

New laws in taxation are special targets for the government today. We have such high taxes that we have developed a classic confiscatory taxation system. We have many laws against tax fraud. If you do not commit a crime deliberately, but only do not understand the complex tax law, you can still go to prison. . . .

There is also another important law, the *Mitbestimmung* law in German, or employee self-determination. *Mitbestimmung* is another sociological, rather than legal, word. Under this law employees can come into the office of the president of the company and accuse him of misuse of funds if he sees, for example, your magazine on his desk. The law also controls politicians, including in Parliament. Their staff can demand the "right to have influence in their decisions." I think this law is a copy of the Soviet system of "rolling controls"—everybody watches everybody.

EIR: Who is behind this legal transformation in Sweden?

Hane: I think it is the Soviet Union, the Soviet Embassy in Sweden, and the KGB. I think that [Prime Minister] Palme is a "jumping jack," a demagogue. He himself is not intelligent enough for this. He only talks and shouts invective. One of the more intelligent is Karl Lidbom, a close friend of Palme. Lidbom is currently ambassador to Paris, a former trade minister who was involved behind-the-scenes in all these new laws as a consultative force. We have in Sweden a name for these new, awful laws. We refer to them with the invective, "Lidbommir," Lidbom's Work. . . .

Previously in Sweden we had clear lines between political power and private areas. Political power was defined clearly and was strongly limited to the field of civil rights under the courts. Now, this is taken away, and political power has entered many new fields formerly protected from political influence, to the extent that it reaches practically every individual life and situation. This is a very big difference between Sweden and the United States that I can see. One freedom that you have is that of giving money to an association, with a tax deduction, so that the person can have institutional guarantees to protect his rights. This is not possible in Sweden. The Swedish people have been disarmed by taxation.

EIR: Where will you take the fight next?

Hane: I will fight to spread information regarding the situation in Sweden to make other nations aware of the danger of this method. If others publicize these conditions outside Sweden, it can influence the situation inside Sweden. We must also find new methods to force discussion of this enormous power of the media, and how to regulate it. I have watched your news on the TV every morning. It is very good . . . if you like the Soviet system of propaganda. Very effective. They know how to ask leading questions, use innuendo. This television media is a very effective form of political power which is not recognized as political power. And that is the tragedy.

The geopolitics of conservative neutralism

by Edith Vitali

In Germany, an alarming phenomenon is spreading which various political analysts are commonly referring to as "conservative neutralism." Not only old Nazis such as SS-Maj. Gen. Otto-Ernst Remer, who achieved dubious fame for having arrested the leaders of the July 20, 1944 coup attempt against Hitler, are involved. Today Remer heads a movement, called "The Bismarck Germans," whose manifesto is openly calling for an alliance between Germany and Russia, against the "evil" West.

It's unlikely, because of Remer's Brown past, that the "Bismarck Germans" will ever become a mass movement. But recently, West German Defense Minister Manfred Wörner wittingly or unwittingly adopted one of the key demands in the Bismarck Germans' manifesto: Wörner, a self-proclaimed lover of Fyodor Dostoevsky's blood-and-soil-novels, called for the creation of a German-Soviet Youth Exchange program.

Remer's group is only part of a whole spectrum of "conservative neutralists" looking toward the East to rediscover "German identity." The same ferment is rampant in the so-called student dueling societies and inside the established conservative parties. "It's only a question of time until these people organize themselves in a new party," a political observer in Munich recently said.

He pointed out that at any "conservative" meeting or conference these days, somebody will always get up and describe West Germany as an "American colony" not worth defending. "We never bothered to ask the Soviet Union under which conditions she would agree to German reunification. Now is the time to do so," these people will argue.

The leading light of this German "New Right" is the "respectable" Erlangen historian Hellmut Diwald whose latest book, *Courage for History*, is tormenting the German reader with such sophistries as: "Shouldn't an East German communist be closer to your heart than an American democrat? Above all, he's German, too."

The phenomenon of "conservative neutralism" is spreading on *both* sides of the Atlantic. The unifying feature is the belief in the cult of geopolitics.

Franz Kadell, a French-born German professor living in Washington, D.C., put out a special report called *Europe*:

Status Quo in Flux for the Western Goals Endowment Fund. In the introduction, Kadell claims that the status quo in Europe can no longer be defended:

“One must ask at this point whether the ‘gains’ of World War II are really worth what it costs to maintain them. Is the price of maintaining the division in Germany and Europe worth it to either superpower? In short, whether either power cares to admit it or not, the status quo in Europe cannot continue as it is.” This assertion strikes one, to say the least, as very strange. With President Reagan’s Strategic Defense Initiative, for the first time in postwar history the defense of Western Europe against the growing Soviet military threat has become realistic, because laser weapons can defend Europe without destroying it. And even more important, does not the West have to defend those republican values which make it different from the East?

A ‘new order’ in Europe

Kadell, however, finds confirmation of his thesis in the political ideas of the peace movement: “Leftists in Europe and liberals in the United States are already working together to design a completely new order in Europe. Only conservatives lack a strategy for shaping the inevitable change. They seem to prefer merely defending the intolerable status quo.”

Curiously enough, the first six chapters of his study depict a Soviet Union armed to the teeth which is about to swallow Western Europe and incorporate it into the Soviet empire. As Kadell compassionately shows in the first chapter, it can’t be otherwise, because Russia’s geography leaves her with no choice but to take over the Eurasian continent! “Many misconceptions in the West result from the disregard of the influence of geography on politics, which usually is much more lasting than influences of ideology or economics.” Geography cannot be changed, and “Russia is the most disadvantaged geopolitically.”

Kadell proceeds to present the strange arithmetic equation of Sir Robert Sealy that “a country’s freedom is inversely proportional to the pressure on its borders. On the basis of this, a military draft is not absolutely necessary for the United States, but for the Soviet Union it could be a requirement. It might also hold that a regime in power other than the Communist Party could not allow the same freedom to its citizens as the United States does. It is the historical mission of Russia to overcome this geographical disadvantage.”

Another “expert” in geopolitics, the Austrian Heinrich Jordis Lohausen, is quoted with the following ominous forecast: “Not until Russia rules the thoroughfare from Gibraltar to Aden equally reliably as the U.S. rules the one through the Panama Canal; not until the Russians are sitting as firmly in Norway, in France, in the Netherlands one day as the Americans in their own New England states; and as firmly in Korea as those in California; and when Great Britain and Japan no longer serve the United States as aircraft carriers; only then is the demanded equality reached; then they have the freedom of action on the land and the oceans like their opponents.

Then only, their prospects are geo-strategically equal.”

Kadell does not tell his readers that Mr. Lohausen from his hometown Graz actively organizes for a united Eurasian continent, co-ruled by Russia and the Central European oligarchy.

The chapters which follow serve to strengthen the image of an invincible Soviet might, ideologically and militarily armed to storm ahead and conquer the few remaining kilometers separating it from the Atlantic coast. So what’s the choice? Beam weapons? No! “A new strategy must be found” from the standpoint of geopolitics, Kadell writes in the last chapter. He starts out by quoting none other than U.S. Ambassador to Bonn Arthur Burns, who told the *New York Times* on Jan. 4, 1984 that the division of Europe cannot last. “Eventually, the German nation will be reunified within a very different Europe than we have now.”

As a result of World War II, Germany was divided and each part occupied by the respective superpower. “The United States had to fulfill Germany’s former geopolitical function. As a result, the superpowers were facing each other. Neither could move back or forward without leaving a vacuum of power.” But didn’t the United States fight in Europe to defend Western civilization against fascist barbarism? Aren’t U.S. troops still in Europe today to defend Western values against the East, which a majority of West Germans abhor? No word of that is mentioned.

How to ‘unify’ Germany

It is no problem at all, if you believe the geopolitician Kadell, to restore a united Germany which would fill the “vacuum of power.” You only need to hold free elections! As a result, the Communist government in East Germany would fall, and everything would be fine. A united Germany would never again be a military threat: “It would be held in check by the Soviet Union.” Such a solution, says Kadell, would be in the interest of both superpowers. “Why should 230 million Americans eternally defend 300 million Europeans, while watching NATO drift steadily apart? Why should the American taxpayers forever finance such a questionable status quo?”

The Soviet Union, too, will be relieved of a burden. From the menacing empire pushing to the Atlantic coast, the U.S.S.R. has suddenly changed to a teddy bear, ready to lick the feet of the Central European oligarchy. In the words of Kadell: “Facing growing internal problems, the insecurity of the Eastern corridor and the increasing incalculability of strategic developments, the Soviet Union might well view the restoration of an independent Germany as a price to pay for relieving the strain on its western borders. The Soviet Union would stand to gain more than it would lose. For both superpowers it would solve more problems than it would create.”

Kadell assures us that his strategy is neither fantastic nor utopian, that Moscow would “respect” a new Reich in Central Europe as an equal partner. Some believe it. Some don’t, and they are the realists.

Who were the real Nuremberg criminals?

by Carol White

The Hitler Book

By The Schiller Institute

Edited by Helga Zepp-LaRouche

New Benjamin Franklin House

New York, 1984 Paperbound, 358pp., \$9.95

The Hitler Book, edited by Helga Zepp-LaRouche as the first of a series of studies of the war and postwar period to be issued by the newly formed Schiller Institute, is a shocker. It is bound to hold the reader gripped, from its preface by Mrs. Zepp-LaRouche—an impassioned attack on the outrageous notion of collective guilt which was imposed upon the German people—to its final chapter which exposes the operations *today* of the same Nazi-communist cabal who put Hitler in power.

Those who refuse to learn from history are condemned to repeat it, as the book emphasizes. The book's theme is complex. The same international forces, the same East-West oligarchic coalition which put Hitler in power, are attempting a world-wide fascist coup now. The International Monetary Fund, the overtly Nazi Swiss-created Malmö International, the Pugwash movement—all are in place to repeat the German tragedy on a global scale. Today, in place of Neville Chamberlain, we have the far more evil "appeaser" Henry Kissinger, who is actively working to decouple Europe from the United States and turn it into a Soviet zone of influence.

Yet despite the fact, as the book documents, that fascism is not and never was a German phenomenon, Germany is again on the firing line. The Soviet maneuvers supposedly just concluded in the German Democratic Republic have left a massive Soviet troop concentration poised to attack the Federal Republic. And the tangible threat of attack is backed up by a continual Soviet press barrage accusing the West German government of fostering a neo-Nazi revival. Today, the pressure is intense to force the Federal Republic out of NATO.

The Hitler Book has been published simultaneously in the United States and in Germany, in English and German lan-

guage editions. The questions it raises are of pressing concern to both nations. On the United States side, we face the danger of losing West Germany from the alliance. In Germany, the whole governmental structure is tottering, while every government leader plays with the Soviet-held carrot of a neutralized West as well as East Germany. The book amply documents how such a paralysis of leadership is the lawful outcome of postwar occupation policy which overlooked genuine republican forces while sanitizing old Nazis and allowing them to resume positions of political power. And, as both the Soviets and the Anglo-Americans made a grab for Nazi intelligence networks in particular, a lively interchange has continued between them—with the associated spy scandals being a regular feature of German political life.

It would be wrong, however, to assume that the present mood of appeasement toward the Soviets which is sweeping Germany is only coming from the top. One of Mrs. Zepp-LaRouche's purposes in writing this book has been to show Germans and Americans how this has come about, as a precondition for reversing this cultural pessimism. I should like to quote at some length from the introduction to the book, because of the eloquence with which it deals with this point.

Germany: from classicism to Hitler

"Anyone with a precise knowledge of Germany cannot doubt that it was Germany itself which suffered most at the hands of the Nazis. The price for the Nazis' crimes must be reckoned not only by the number of dead; the nation also seems to have lost its soul, and it is still uncertain whether it will ever be able to regain it. In order to understand the miserable situation of the Federal Republic today—its inability, during the 38 years following the war, to either become a nation or to produce a national republican elite which could espouse our country's vital interests—we must include in our considerations the entire span of the last 200 years.

"Why and how could Germany have sunk from the highest cultural level of its classical period with its humanistic conception of mankind, down into the depths of Nazi bes-

tiality? This question still needs to be answered; indeed, it represents the key to locating the German identity. Precisely because classical Germany had attained such a pinnacle of humanistic culture, it had made itself into the target of the international oligarchical forces of the Conservative Revolution. What took place in the Germany of Schiller, the Humboldts, and Beethoven was indeed a true classical period, rooted in Greek classicism and the Italian Renaissance, elevating the conception of mankind to new, hitherto unattained heights. The concept of the American Revolution, the 'ideas of 1789,' transmitted by the works of poets and composers of that era, penetrated more deeply and more lastingly into the conscience of the population, and educated a greater portion of the population in republican ideas, than ever before or ever after.

"Whoever desires to understand the collapse of the German people must learn to comprehend the reasons for this transformation of Weimar classicism's unlimited cultural optimism into the cultural pessimism of the Weimar Republic—a pessimism which in turn made National Socialism possible, and which is still running rampant today."

Nazi-communist alliance

While the Soviet Union is understandably reticent about the two-year period at the beginning of the Second World War during which it supported the Nazi war effort, to the point of occupying half of Poland, this book demonstrates conclusively that the Hitler-Stalin pact was no mere aberration of Soviet policy. The Nov. 29, 1939 issue of *Pravda* read: "It was not Germany which attacked France and England, but France and England have attacked Germany, and thus they bear responsibility for the present war. . . ." The recent rehabilitation of the man who negotiated the Hitler-Stalin pact, Molotov, belies Soviet sentimental rhetoric about their anti-fascist motivations in World War II.

Dostoevsky, the 19th-century novelist and Russian political theorist much admired in the Soviet Union today, wrote: "The Jews and the banks control everything: Europe and the Enlightenment, all civilization and Socialism. . . . And when nothing remains but anarchy, then the Jew will be sitting on top of it all." The Nazi theorist Alfred Rosenberg emigrated from Russia to Germany with the *Protocols of Zion*.

In Germany, the demented philosopher Nietzsche wrote: "We need an unconditional partnership with Russia, along with a new common program which will prevent Russia from coming under the influence of any English stereotypes. No American future! . . . A purely European policy is intolerable, and any confinement to Christian perspectives is a great malady."

While the Nazis' persecution of the Jews is well known, their antagonism to Christianity is less generally documented. The reader will therefore be fascinated and horrified to read the account of the Thule Society, which provided the cultist ideology for the movement. Not only is the present

proliferation of Satanic cults precisely following the old scenario, but we find that through Switzerland the actual remnants of the Nazi networks, and their first-generation successors, have been the financiers and directors of the more extreme Khomeiniac branches of Islamic fundamentalism. The book documents the extremely important connection between the Sufi Muslim input into the Thule society, and the present day collaboration of Swiss banker François Genoud and Muslim convert Ahmed Huber. These are the people who fund and direct extremists in the Palestine Liberation Movement such as the terrorist Abu Nidal and deposed Algerian Prime Minister Ben Bella.

Henry Kissinger acts as the American front man for these networks today, but this venal fascist has merely picked up the threads dropped by his predecessor, former Secretary of State John Foster Dulles and his brother intelligence chief Allen Dulles. These two were directly and unabashedly linked with the Nazi movement. John Foster was the attorney for Schroeders Bank, the bank which financed Hitler, while his brother was on its board of directors.

The degeneration of Nuremberg

One of the many crimes against the German people documented in this book was the degeneration of the Nuremberg tribunal into a forum for whitewashing the Nazis who were guilty of war crimes in order to assign their guilt to the German people collectively. But what more can have been expected of this tribunal when the Soviets and British were assigned two of the four judgeships.

The first count considered under the Nuremberg statutes was that Germany had waged aggressive war. So too had the Soviets against Poland. The second count defined crimes against humanity as "inhumane acts committed against any civilian population, before or during the war." British policy throughout the war was to bomb the civilian population of Germany rather than industrial or military targets. And while the United States opposed that policy for much of the war, not only did we permit the British to continue the deliberate genocidal destruction of 63 German cities, but we began the march to Hiroshima and beyond with the fire-bombing of Tokyo in 1945.

It is a tragedy that the high purpose of the Nuremberg Tribunal as expressed by Judge Jackson was perverted by his opponents. He declared: "This Tribunal, while it is novel and experimental, is not the product of abstract speculations nor is it created to vindicate legalistic theories. . . . The common sense of mankind demands that law shall not stop with the punishment of petty crimes by little people. It must also reach men who possess themselves of great power and make deliberate and concerted use of it to set in motion evils which leave no home in the world untouched."

This book accomplishes the high aim which he set himself, of bringing those more powerful figures before the judgment of history.

The international network behind the Temple Mount terrorist plot

by David Hammer

For two months now, 27 members of an underground Israeli terrorist network have been on trial in Israel. They are charged with terrorist crimes on the West Bank, including murder, and with a January attempt to blow up the Dome of the Rock on Temple Mount in Jerusalem, the second most holy shrine in Islam. The Israeli terrorists' ideological dedication is to rebuild Solomon's temple, destroyed by the Romans in 73 A.D., on the site now occupied by the Muslim shrine.

Two leading political forces in Israel were named in connection with the arrested terrorists: Minister without Portfolio Ariel Sharon, and Adviser to the Prime Minister in the War Against Terror, "Dirty Rafi" Eytan. But proceedings were never pursued vigorously against these two figures.

The names Eytan and Sharon point to the fact that the "Temple Mount plot" is not a plan that is being carried out in the interests of the Israeli nation state. The terrorists involved in the plot represent, as Israeli President Chaim Herzog declared last month, "not just deranged individuals at the margin of society who have caused these acts of murder and terror. They have occurred against the background of culture, of political discussion, that evokes the deepest revulsion."

Both Sharon and Eytan are assets of those circles around Henry Kissinger and his oligarchical employers in London and Switzerland who are determined to use the Temple Mount plot to destroy Israel and hurl the Middle East into a devastating series of protracted religious wars. Aside from the policy of disintegration he has pursued in the region since 1973, Kissinger was exposed in 1982 for his involvement with Sharon in real estate speculation on the West Bank based on the full Israeli annexation of the territory.

The key financial backers of the Jewish underground apparatus are also associates of Kissinger: Edmund Safra of American Express—to whose board of directors Kissinger was recently coopted—and an entire nexus of intermarried Syrian Jewish financier families associated with Safra. These families, originally based in Aleppo, Syria, have for centuries run the trade routes of the Byzantine and Ottoman empires in the Middle East for the leading families of Venice.

The trail from Sharon and his former business partner, Eytan, also leads to the Washington, D.C.-based Joseph Churba of the "New Right" Center for International Security. Churba, who helped found the terrorist Jewish Defense League

with Meir Kahane, has been actively campaigning for "rebuilding Solomon's Temple" in his lecture tours in the United States.

It is through the "New Right" cover exemplified by Churba that the line of investigation leads to Moscow's involvement in the Temple Mount plot.

These forces converge in the funding and support operations for the **Yeshiva Ateret Cohanim** in Jerusalem. The yeshiva's official purpose is to train the prospective "priesthood" for the new Solomon's Temple. It is the logistical center for the Temple Mount plot.

Within Israel, Ateret Cohanim's private bank is the North American Bank of Israel, known in some Israeli circles as "the bank of the Jews from Chalab" (Aleppo). The yeshiva also receives extensive funds from Tefahot, the largest mortgage bank in Israel. In the United States, the lawyer for the rapidly expanding Ateret support network is Bernard Hoenig, whose family has for decades represented the leading Syrian Jewish families transplanted to Brooklyn, such as the Shaloms and the Esses.

American money is funneled to Ateret Cohanim, according to Hoenig, through the **PEF Israel Endowment Funds, Inc.** of Madison Avenue in New York, on whose board sits Stephen Shalom. Major names in this network include:

- the Nakash Brothers of Jordache Jeans;
- Edmond Safra of American Express;
- Murjani of Murjani Jeans.

According to sources, it is this network of Syrian Jews that routinely finances Ariel Sharon's trips to the United States.

Within Jerusalem, Ateret Cohanim plays a quiet role in comparison to the **Birkat Avraham**, which is composed of club-wielding ex-convicts who terrorize the Arab population of the holy city. Birkat Avraham is funded by the Dwek family, who for centuries were allied to the Safras in Aleppo. Cyril Dwek is today the right-hand man of Edmund Safra in New York. Safra's own hobby is "funding synagogues."

Ateret Cohanim was founded in 1978 by Mattityahu Hachohen Dan, a student of Rabbi Shlomo Aviner of the Golan Heights settlement of Ramat Golan. Obsessed with the idea of founding a yeshiva for the training of a "priesthood" for the new temple, Dan opened his yeshiva in the almost entirely

Muslim Old Quarter in Jerusalem, perhaps one hundred yards from Temple Mount.

All students at the yeshiva are military veterans, and regularly go about armed. The rabbi in charge of all aspects of the yeshiva, Aviner, is reputed by Israeli sources to be a ranking member of Israel's domestic intelligence service, the Shabak (Shin Bet).

Dan himself, according to American sources familiar with the operation, is close to Rafdi Eytan, the Adviser to the Prime Minister's Office for the War Against Terror.

"Dirty Rafi," a former business partner of Sharon and the man who managed Sharon's 1976 election drive, is a close associate of several of those arrested or questioned in the recent underground roundup. One of his closest associates, Aron Zar, is one of the 26 charged with trying to blow up the Dome of the Rock. Zar was a partner of Eytan's brothers at the time of the arrest, and was Eytan's partner until Eytan took office.

Eytan's predecessor in the Prime Minister's Office Against Terror, Amikhay Paglin, was arrested for smuggling weapons to Rabbi Meir Kahane's terrorist JDL networks abroad, since merged in most essentials with the Gush Emunim settlement cult, which provided the 26 suspects arrested in May.

Rabbi Aviner himself is said by the secretary of the Settlements in Judaea and Samaria [the occupied West Bank], and the Gaza Strip, Israel Harel, to be a top "spiritual author" of the Gush Emunim. To a recent caller, Harel volunteered to arrange a quiet meeting with Sharon at his farm to set up funding for the Gush network.

Like the Gush Emunim, but using different tactics, Ateret is pursuing large-scale land reclamations, in this case a plan to turn the entire Muslim Quarter into housing under the direct control of their yeshiva. The property acquisitions are handled by "Dirty Rafi" Eytan's friend, Mattityahu Dan. As Ateret public relations director, Eliazer Berkeley, expressed the conception recently, "We're trying to resettle this area to make it a Jewish area once again. . . . The PLO in our area has been much reduced. They used to put a lot of pressure on Arabs not to sell, but now they're not as much a force. When I came to America recently, I had a briefcase full of properties. All of a sudden quite a number of properties became available. The reason it was so difficult in the past was the PLO. The Arabs now are much more friendly. We are giving them substantial amounts of money."

The Soviet angle

There is no accident in the fact that the Ariel Sharon faction in Israel is known to have had numerous secret dealings with the Soviet Union, nor that Henry Kissinger is a Soviet agent-of-influence, and that the Soviets have given their covert aid to the Temple Mount plot. For them, the bolstering of the faction dedicated to the destruction of the Dome of the Rock is one play in the overall strategic game to force the United States out of the Middle East.

The vehicle for this Soviet penetration is the "New Right International"—which waves the banner of a worldwide fight against communism, of which the Christian fundamentalist-Israeli alliance is one aspect. The function of the "New Right" is turning justified alarm about the Soviet military build-up into impotent reactions (for example, Lt. General Daniel Graham's "High Frontier" flying junkpile, instead of beam weapons). It is a weapon aimed at the ideological blind spot of U.S. intelligence agencies.

Prominent figures in the "New Right" project include Joseph Churba, head of the Center for International Security who is also a close friend and former business partner of Meir Kahane, and self-avowed "universal fascist" Michael Ledeen, author of the notorious *New Republic* article covering up the real sources of the Temple Mount plot. Last spring, Churba spoke at a meeting of U.S. Christian fundamentalists, where he endorsed their plan to rebuild Solomon's Temple. After the meeting, this die-hard anti-communist remarked to *EIR* investigators that it was time for Israel to abandon the United States and come to an understanding with the Soviet Union.

Churba and Ledeen are known to be assets of James Jesus Angleton, former CIA counterintelligence chief and himself a prime example of the New Right. The fanatical anti-communist Angleton somehow was the last to discover the truth about British agent Harold "Kim" Philby, currently a KGB general. Right up until the week Philby was exposed, Angleton regularly met the Nazi-communist agent for lunch in Washington, D.C.

In Israel, two key New Right figures are Member of Knesset Michael Kleiner and his Chief of Staff Avigdor Eskin. Eskin signifies the Soviet penetration of this operation. Now from the West Bank terrorist stronghold of Kiryat Arba, Eskin was born in the Soviet Union. He was permitted to found the JDL chapter in Moscow and translated Kahane's works into Russian. Then he was permitted to leave the Soviet Union, and has more than once been fingered as an important KGB deployment by intelligence sources.

The U.S. side of Ateret Cohanim

Ateret Public Relations man Eliezer Berkeley has just completed a five-week tour in the United States to boost the Temple Mount project.

Two key figures who will be active as board members of Ateret in the United States are Rabbi Bunim of Far Rockaway, New York City, and Rabbi Jay Marcus, head of Staten Island Young Israel. Marcus recently returned from a visit at Ateret and a several-hour meeting with Rabbi Aviner. Marcus is also the head of the Genesis Foundation in New York, another conduit for "outreach" programs into Israel, which may be formally affiliated with Ateret's work in the near future.

Another conduit for funds is the Settlement Movement Family and Legal Defense Fund, one of whose top members

in Israel is Rabbi Aviner, head of Ateret Cohanim. Also on the board of the Settlement Movement Defense Fund are some of the key figures on the U.S. side of Gush Emunim, clustered around the tax-exempt Gush Emunim Foundation, including Alex Friedman and Sam Koorman.

Another board member of the Gush Emunim Foundation is money-mover Bob Jacobs. It was reportedly Jacobs who gave Meir Kahane funding in 1968 when the terrorist Jewish Defense League was gearing up its operations. The scale of his resources is indicated in the remark by Rabbi Tendler of New York, also a supporter of the Settlement Movement Defense Fund, "Bob Jacobs will give me \$25,000 for any cause I want." When questioned where Jacobs gets his money, Tendler replied, "I assume he steals it."

New York is not the only base for Ateret support. As part of his tour, Berkeley spent a week at the home of Dr. Morton Freiman in Florida, a plastic surgeon who has volunteered for duty in some of Israel's wars, and whose hobby is building scale models of the Temple, one of which he has recently shipped to Jerusalem. While staying at Freiman's house, Berkeley virtually commuted to the nearby home of Dr. Irving Moscowitz, to discuss financial deals. According to the current director of the yeshiva's day-to-day operations, Menachem Bar Shalom, Moscowitz was the figure who provided the seed money which allowed Ateret to begin property acquisitions several years ago. Moscowitz is currently building his own home outside Jerusalem, presumably in order to be closer to the action.

Ateret is expecting major funding from the United States in the near future. The funds which have heretofore been quietly channeled through the PEF Israel Endowment Funds, Inc. (headed by Sidney Musher at 342 Madison Avenue in New York) will in the future probably go directly through the tax-exempt establishment Ateret's lawyer Hoenig is working on incorporating in New York State. Ateret has also begun a major push for funds in Britain, and has received a \$100,000 contribution from the London businessman, Cyril Stein.

The question might well be asked: Do these backers know that their money is going to fund terrorists?

The 'diamond in the crown'

The Temple Mount plan also involves the creation of an institute dedicated to the building of the Third Temple. Ateret members refer to the Institute for Research of the Temple, whose exhibits are to be placed in the rooms next to the Western Wall, as the "diamond in the crown." According to Bar Shalom, "The Institute is in the planning stages. It will carry out research into the exact location of the Temple, the measurements of the Temple, the elements to be used in rebuilding it when it could be rebuilt. We are involved in the actual execution of small-scale models. We are working through the Ministry of Religious Affairs. You know next to the Western Wall, there is a system of chambers. To the left

of it are a number of chambers. They are now open to the public but they don't have anything in them. With the help of the Ministry of Religious Affairs and [Interior Minister] Dr. Burg, we plan to establish a museum there on a very nice scale. We will have models of the tabernacle in the wilderness, models of the first and second Temple, the Cohanim in their various dress, sacrificing animals, etc.

"You see there are one million tourists a year coming to the Western Wall, most not knowing why they come to the wall. We want to have a museum right at their fingertips so they can see these models. . . .

"As part of the overall project we also have a field school, giving tours, followed up by lectures on the subject I mentioned. We have a few thousand school children per year now from the cities and the kibbutzim, who get lectures on the tabernacles and altars.

"We will also be beginning some sort of small workshop, to make the models. Our first client will be the Ministry of Education. Already they have ordered 100 models for the schools." The major Jerusalem hotels are doing their bit also, by allowing Ateret guides to run their tours.

The role of Minister of Religious Affairs, Dr. Burg, is noteworthy, if it is indeed what the Ateret members brag: He himself has stood up against the Temple Mount fanaticism before, and suffered attacks on his son and the burglary of his house.

Bar Shalom is very quiet with respect to the head of the Institute for Research on the Temple, Edoardo Recanati, a figure in Venetian banking circles, and the man who founded the largest mutual fund in Italy, Fonditalia, before he felt called upon to come to Israel. According to numerous circles, Recanati is very close to Stanley Goldfoot, the former Stern gang terrorist who heads the Christian-fundamentalist-associated Jerusalem Temple Mount Foundation.

Recanati, as Goldfoot, was for years close to Meir Kahane, the founder of the terrorist Jewish Defense League, himself arrested on suspicion of trying to blow up the Dome of the Rock as early as 1980. As some of these old connections drift out into public, Ateret members grow very testy when questioned about them. As Bar Shalom recently said of Recanati, "I don't want to speak for him or his past relation to Stan Goldfoot, but it is a *past* relation. He [Recanati] is supportive of our organization and has been for over half a year."

The leaders of Ateret are quite aware of the significance for world Jewry of the events in Israel. As Bar Shalom stressed, "All these things will be produced on an international scale. We're thinking extremely big."

Protection from the Likud government?

The investigation of the Jewish underground so far has reached no further than to the lower-echelon associates of Sharon and Eytan, leading to the question of the degree of

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Do the contributors who respond to this ad in the Jewish Press know that the movement which they are financing is a front for a terrorist network, 27 of whose members are standing trial for murder and other crimes?

protection enjoyed by the Temple Mount crew from the Israeli government. The best place to begin is with Minister of Science and Technology Yuval Neeman. According to Lambert Dolphin, one of the Christian fundamentalists comprising the Jerusalem Temple Mount Foundation, Neeman is a secret member of the Foundation. He was the first to introduce into cabinet meetings a resolution that Jews be allowed to go up onto Temple Mount to pray, a proposition which is abhorred by mainstream religious Jewish thinking. Neeman has also been vociferous in his defense of the Jewish underground, recently endorsing the maiming of the West Bank mayors in 1980.

This core of support appears to have been enough to pull others into line. As Berkeley put it, when questioned about support from government figures, “The support within the government is the fact that we are *here*. Four to five years ago this would not have been possible. At that time you had a Labor government and their policy was not to allow Jews back [into Jerusalem]. Five years ago the first person to come back signaled a change in government policy. They are not opposing us. It’s a political issue, a very touchy political issue. The present government is tacitly giving us the go-ahead.”

Bar Shalom elaborated on which ministers were supporting the project: “Well, there’s Dr. Burg. and Zevulun Hammer [minister of education] is also aware of us and in favor and behind what we’re trying to do. And the Minister of Science and Development, Yuval Neeman, is also on our team. He is well aware of all aspects of what we are doing. And Ariel Sharon is also very close to us, very much in favor of all our organizational work. And then there is an assistant

minister to the Ministry of Social Work Department, Benzion Rubin, who is also behind us. There are various people in Likud and Tehiya also supporting us. Rabbi Druckman and their Chief Rabbis—we have their approval. The rabbis of Haifa and Rehovoth. All have been through our tours and we are in close contact with all of them on a very regular basis.”

Ateret’s New York lawyer, Bernard Hoenig, added, “I know they’ve met with Moshe Arens to inform him of what’s going on. I was told there are a number of prominent people in the government who approve of what they’re doing. And I have a letter from a Member of the Knesset in Israel, Haim Druckman, saying, ‘I recommend unstintingly Ateret Cohanim.’ And there’s Toussia-Cohen, he’s very prominent [and also the lawyer for the Jewish underground]. You see you have to understand one thing. The government will not openly come out and say ‘yes, we want you to do this.’ They’re concerned that things will be misinterpreted. So you probably won’t find them coming out openly like that because they’re afraid of what people will say, that they’re trying to take over the Old Quarter. . . . It’s a backhanded okay.”

Hoenig also mentioned “prominent scholars” supporting the work of Ateret, “There’s Rabbi Solovechik—he’s a lecturer there. The former Chief Rabbi of Israel, Rabbi Yosef Ovadia, has participated in ceremonies there, and the Chief Rabbi of Jerusalem. They had a midrashah seminar, with one session on the obligations of the priesthood and the history of the high court of Israel.” Rabbi Bunim of Far Rockaway, a board member of Ateret for the United States, noted, “They have the tremendous backing of the Chief Rabbi of Israel, Shapiro.”

Iran-Iraq war moves to decisive phase

U.S. military planners are asking whether recent Warsaw Pact maneuvers in Eastern Europe were a dry run for an invasion of Iran.

The war between Iran and Iraq is building to a final crisis. The immediate question is: Who will control Iran? The resolution of this issue will have far-reaching strategic implications for an area stretching from Western Europe to the Indian subcontinent.

As the recent military maneuvers conducted by NATO and Soviet forces illustrate, both superpowers are projecting some form of confrontation to occur when the the Teheran regime finally collapses.

High-ranking U.S. intelligence sources have indicated that contingency plans are now being drawn up for a variety of possible military moves in the region. NATO's recently ended HILEX 84 maneuvers were built around a scenario projecting a large-scale Soviet military move into northern Iran.

The Soviets likewise have recently concluded a very large maneuver in Eastern Europe which was carried out on terrain reportedly chosen for its likeness to that of northern Iran. One feature of the maneuvers which startled analysts was the unusually large number of Russian troops deployed within Eastern Europe. U.S. intelligence sources believe those troops are now battle ready for deployment in Iran.

In Iran itself, the situation facing the regime of Ayatollah Khomeini is desperate. The Nazi-like military policies followed by the Teheran regime in the war have created turmoil within the Iranian population and military. As one exile pointed out, the popula-

tion is "tired . . . tired of war, tired of killing, tired of executions, tired of bloodshed, tired of the mullahs, tired of everything."

This mood is being carefully cultivated by the Soviet KGB through its extensive networks in the rural areas of Iran. Through a variety of development aid projects, the Soviets have steadily built up political capital within the population. As the Teheran regime disintegrates, these networks could be mobilized by separatist groupings to back uprisings of the various provinces against the central government. Once one such autonomous state is recognized by the Soviet Union, the others would follow fast.

Azerbaijan is one likely area for such an occurrence, and U.S. military intelligence sources believe that the 1921 treaties with the Soviet Union, invoked during the Soviet invasion of Azerbaijan at the end of World War II, would provide the cover for the Soviet forces to move into Iran.

The Soviets also possess formidable "in-country" capabilities centered on the large number of Soviet construction workers in Iran. These workers are generally believed to be a cover for spetsnaz (special purpose commando forces) deployments. The Soviets have reportedly placed 2,000 of their 7,000 advisers in strategic areas along the Gulf coast.

Moscow's moves in Iran have gotten a boost from the "KGB Caucus" in the U.S. Congress, which is supporting the pro-communist Mujheddin of Iran, an Islamic grouping which is re-

ceiving upwards of \$65 million in financial aid. In the first week of June, Gary Hart circulated to Congress a memorial letter addressed to the pro-Moscow Iranian Speaker of the House, Ayatollah Rafsanjani. The letter, calling for support for a Washington demonstration against Khomeini, was reportedly initiated by the student wing of the Mujheddin. On June 15, Sen. William Proxmire (D-Wisc.) spoke on the Senate floor in support of the Mujheddin.

Meanwhile in Pakistan, the regime of Zia ul-Haq is also under heavy separatist pressure, from the Baluchi tribe, which straddles both Pakistan and Iran. Sardar Shabaz Marawi, a Baluchi tribal leader, in a *Washington Times* interview on July 10, attacked the Zia regime for its support of the Afghan rebels—thereby condoning Moscow's tactics to his supporters.

Soviet subversion capabilities in the region are backed by approximately 56 divisions—double the number of several months ago—stationed along the Soviet-Iran-Afghan border. Military intelligence sources say these troops are not needed in Afghanistan, and are ready to go "any hour."

This multi-layered Soviet deployment is the central problem facing U.S. strategic planners, who, according to high-ranking sources, are prepared to consider an invasion of the southern oil fields as a response to the anticipated Soviet moves in the northern provinces.

It would be difficult for the United States to wage a prolonged conventional war in the Gulf without full logistical support from the European allies, which is not expected to be forthcoming, given the pressures on Western Europe from the Warsaw Pact. Without this support, the United States might consider the early use of tactical nuclear weapons against the Soviet moves.

'They are barking, Sancho'

The electoral process of Mexico is threatened by the neo-Nazi PAN party's coup in the Federal Election Commission.

Scandal broke out in Mexico City on July 4 as the Mexican Labor Party (PLM), faced with a political coup within the Federal Election Commission (CFE), decided to withdraw its application for registration as a national party. The PLM made the decision to withdraw when it became clear that the avowed neo-Nazi National Action Party (PAN) and its allies had taken control of CFE policy making.

The PLM moved rapidly in response to the PAN coup, as the Labor Party leadership stated on July 5: "We knew that, unlike numerous militants from other parties, and numerous members of the PRI and of peasant and workers' organizations who morally supported our registration campaign, the rest of the subcommittee succumbed to threats and blackmail from abroad. Specifically, the State Department—one of whose spokesmen shamelessly said 'Sure, I'm for democracy, but not just for the PRI. There's also the PAN and the PSUM—wielded the threat of setting off violence and civil war. . . ."

"On July 1, the press of Ciudad Obregon, Sonora, carried statements by José González Torres, the PAN commissioner in the CFE and a member of the subcommittee charged with deciding on the registration of new political parties. González Torres revealed—going over the heads of the members of the CFE—that the five members of the subcommittee (commissioners from the PAN, the PPS, the House of Representatives, the Senate, and the PRI, Mexico's current

ruling party) had taken a unanimous negative decision on the PLM's registration, due to alleged foreign ties."

The PLM's decision to withdraw, rather than submit to an inquisition of PAN-allied forces, shocked most CFE members and set off reactions among their supporters in trade unions, business, and peasant organizations. Prior to the PAN coup, representatives of most political groups contacted for comment by *EIR* stated that they considered granting legal party status to the PLM a *fait accompli*. The PLM has met all objective requirements for party status. But the allied fascist PAN and the United Socialist Party of Mexico (PSUM) had made it clear that they would do anything to prevent the PLM's party status.

The PLM, whose ideas are in agreement with those of U.S. economist and Democratic Party presidential contender Lyndon LaRouche, has been fighting for legal status as a political party since the political "reforms" introduced during Mexico's last administration by then-Interior Minister Reyes Heróles. Reyes Heróles's reforms gave voting power on the CFE to all then-existing parties, including—as Reyes Heróles intended—the PAN party and the PSUM.

The PLM renewed its fight this year after its powerful intervention against the PAN-PSUM political bloc during the 1983 elections made it a force to be contended with in national and international politics. The PLM exposed this Nazi-Communist alliance in a series of campaigns that ensured that both parties were defeated

at the polls in attempts to take control of both the state and local governments of several states.

The fact that the PLM would decide to withdraw its petition to the CFE makes all too clear how weak the Mexican electoral system now is. The PLM action has reinforced the fears of top Mexican politicians that next year's federal, state, and municipal elections could end in disaster. The PAN's willingness to use violence to achieve its ends could turn the elections into a nationwide terror operation. The PAN's commitment to Nazi politics was made clear when José Angel Conchello, the "brains" behind PAN chairman Pablo Emilio Madero, said on June 23 at Nogales, Sonora. "We are going to break the faces of the PLM. They keep the population away from our meetings."

The PAN's attacks on the PLM were based on a fabrication that the PLM is "tied to foreign interests." The foreign interest in the PLM case, however, is Lyndon LaRouche, whose co-thinkers in both the United States and Mexico have exposed collaboration between the U.S. State Department and FBI with the PAN in an attempt to undermine the Mexican republic and prevent the renewal of a U.S.-Mexican alliance modeled on that of Abraham Lincoln and Mexican President Benito Juárez in the 19th century.

The PAN's charges were upheld by the supposedly moderate left-wing parties, including the PPS and the Partido Socialista Unificado de Mexico, formerly the Mexican Communist Party.

But, as the PLM told its supporters, "The PLM is alive, and livelier than ever. As Cervantes wrote in *Don Quixote*, 'They are barking, Sancho'—and in this case they weren't barking, but howling at the top of their lungs—'which means we must be making progress.'"

A wolf in sheep's clothing

The selection of Richard von Weizsäcker signals the oligarchy's moves to foster a Nazi-Soviet alliance.

On July 1, Richard von Weizsäcker was sworn in as new President of the Federal Republic of Germany. This marks a further dramatic step in West Germany's trend toward decoupling from the Western alliance. It is the climax of a process which started with the anti-American mass "peace" demonstrations and then led to growing demands by Social Democrats and the Greens to leave NATO and go for an arrangement with the East for a neutral *Mitteleuropa*.

Richard von Weizsäcker, the Christian Democratic former mayor of West Berlin, was elected by both houses of parliament by an unprecedented majority including the votes of the Social Democrats who had refused to run their own candidate against him. The media built up von Weizsäcker as a candidate for all Germans in both the West and the East, a candidate suited to harmonize the political differences in the country and one who would understand the problems and yearnings of the young and those who longed for peace.

In reality, Weizsäcker's election as new President of Germany is a signal to the Soviet Union. He is not a man who will sit idly by and watch the eastward turn of the Federal Republic. He was elected to *fulfill* this policy under his leadership in the Palais Schaumburg.

Richard von Weizsäcker stands for a name and a tradition. His father, Ernst von Weizsäcker, was on the staff of the foreign ministry under Ribbentrop, which in 1939 negotiated and signed the Hitler-Stalin Pact. Later in

the 1940s the same crowd pushed for early separate peace talks with the Russians. For generations the Weizsäcker family had a leading role in the pro-Calvinist current of the Protestant Church, which viewed a close alliance with Russia as the destiny of the German people. Today, this Protestant faction has fostered the peace and Greenie movement and influenced the policy change of the Social Democratic Party into a neutralist "Central European" party.

The von Weizsäckers have long-standing, close ties to leading oligarchical families in South Germany and Switzerland. In reward for services, Richard's grandfather was accepted into the lower aristocracy during the 19th century and the family name turned into **von** Weizsäcker.

Richard von Weizsäcker has not repudiated the family history: He helped to defend his father in the Nuremberg trials when he was accused of active participation in the perpetration of the Nazi war crimes in the occupied territories. Moreover, the speech Richard gave at the inaugural celebration before the Bundestag speaks for itself.

More than half the speech is dedicated to the special responsibility of both German states for peace in Europe and a change for European unity continentwide. "We Germans want to live in peace also with our neighbors of the Warsaw Pact. They belong to a fundamentally different system, but are connected with us by a common history, culture, and the will for peace. They are Europeans as we are, we

should never forget that. Peaceful relations with the Soviet Union have a special weight for us. Therefore we have to accept the realities as they are. It does not help peace if we divide the world into good and evil. . . ."

The speech at no point mentioned the acute threat of the largest-ever Soviet maneuvers going on at that very time in East Germany. It never mentioned the global strategic or economic crisis.

Other developments timed with Weizsäcker's inauguration show that the Soviets are setting their assets in place for a bid to take over West Germany and large parts of Western Europe in the process. Count von der Schulenburg was appointed as protocol chief of the new German President. He belongs to the same family which provided the German Reich's ambassador to Moscow at the time von Weizsäcker's father served under Ribbentrop!

In the Soviet Union, the 94-year-old ex-foreign minister under Stalin, Vyacheslav Molotov, was rehabilitated as a member of the Communist Party. It was this man who negotiated and signed the Hitler-Stalin Pact for the Russians. He is also one of the few living people who knows the contents of the secret protocols of the Teheran, Yalta, and Potsdam agreements. To rehabilitate a man means to rehabilitate his policy.

The Soviets also have redeployed their diplomatic corps in the two German capitals Bonn and East Berlin. High-ranking Soviet diplomat Kopteltzev was sent to the Soviet embassy in Bonn where he had served in the 1970s under the Politburo's Germany expert, Falin. Kopteltzev knows von Weizsäcker personally. The son-in-law of the Soviet ambassador in Bonn, Mr. Shikin, was transferred to the Russian embassy in East Berlin.

Pertini attacks beam weapons

In Lausanne, the Italian President gets the Coudenhove-Kalergi award and meets the ex-Queen of Italy.

Seventy years ago President Pertini was fighting the soldiers of the Austro-Hungarian empire. Yesterday afternoon Otto von Hapsburg, the grandson of Emperor Franz Joseph, granted him one of the most prestigious continental awards, the Coudenhove-Kalergi gold medal established in honor of the Austrian Count who dedicated his life to the "political construction of Europe." Thus commented *La Repubblica* on the visit of President of the Italian Republic Alessandro Pertini on July 6-7 to the headquarters of the Coudenhove-Kalergi Foundation in Lausanne, the Swiss city known as the center of the Nazi International.

The smug words of the liberal newspaper sum up the tragedy into which the Italian Republic risks falling at this moment. Count Richard Coudenhove-Kalergi was the founder of the Pan-European Union, an association sponsored by the self-described "Middle European" oligarchy. The Union was instrumental in creating Nazism to destroy European nations, part of its plan for the "political construction of Europe" on the basis of regional ethnic, religious and language groupings. A "Europe of the Regions" would lead to a resumption of power by Europe's old feudal families, happily unfettered by national constitutions and laws.

Today the president of the association is Otto von Hapsburg, who represents the oligarchical interests seeking a deal with Moscow and a decoupling of Western Europe from the

United States. Both policies are aimed toward the same ultimate goal of regionalization in a "post-industrial" society. Otto's Hapsburg family and the Austro-Hungarian Empire they ruled are the historical enemy against which Italy fought its three "Wars of Independence."

But President Pertini, who has been accused of having aided the victory of the Italian Communist Party in the recent European Parliament elections, did not limit himself to symbolically assaulting the moral foundations of the republic. He explicitly attacked the U.S. beam-weapons defense strategy. "The two superpowers," Pertini declaimed, "are divided by hostility and misunderstandings, and the atomic buildup continues. And now they have reached the point of preparing star wars! But we must say clearly that with the missiles there will never be peace!" In a clear reference to "decoupling," Pertini said that "Europe must be an equal pillar of the Atlantic Alliance, must become the most advanced point in the fight for disarmament, able to play a role of support for détente and guarantor of peaceful mediation." He also praised the appeasement policy of Foreign Minister Giulio Andreotti.

As if this were not already enough, on Saturday July 7 Pertini met for two hours with Maria Jose of Savoy, the former queen of Italy. "We had a lovely and cordial meeting," Pertini declared. The press leaked immediately that Pertini and Maria Jose discussed how to change the constitutional law

that prevents male members of the Savoy family, who brought Mussolini to power, from returning to Italy.

Of course the performance of the President provoked the glee of the Italian Communist Party, which reminded Italians in the party press *Unita* that just-deceased party secretary Enrico Berlinguer had proposed renewing Pertini's mandate. *Unita* also painted the proto-Nazi Coudenhove-Kalergi as an anti-Nazi hero.

The Swiss visit of Pertini gives the best reading of what the oligarchy has planned for Italy. The situation only appears "unclear" after the European elections because the usual infighting among the parties continues. In reality, what has emerged is the alliance between Giulio Andreotti and the Communist Party (PCI). They are trying to collapse the Craxi government, considered no longer useful, and to set up a cabinet based on a coalition between the Christian Democracy and the Republican Party of Giorgio La Malfa and Giovanni Spadolini, with PCI support. Already Naples Christian Democratic Mayor Vincenzo Scotti, an Andreotti protégé, announced he will resign because it is impossible to govern the city without the PCI. Finance Minister Bruno Visentini, a Republican, said that he will not present any financial plan until a more stable government is achieved.

Prime Minister Craxi is sending signals that he is ready to do anything to keep his post. At this writing he is in East Berlin with Andreotti meeting party boss Erich Honecker. Craxi has also decided to speed up his lawsuit against Fiorella Operto, the leader of the POE, the party associated with Lyndon LaRouche and his pro-beam weapons policy. Two weeks ago, Craxi met Kissinger; now he is letting people know that he wants to destroy the POE.

International Intelligence

Alarm over Soviet equipment airlift

Defense-connected sources in Bonn and Vienna are concerned over the massive airlift of equipment that accompanied the airlifting of a Soviet airborne division from Lithuania into East Germany, and the reported airlifting of a second airborne division from the U.S.S.R. into Czechoslovakia, during the peak phase of the massive Soviet maneuvers during the first week of July.

The maneuvers themselves involved 900,000 Soviet troops approaching the West German and Austrian borders, and were the largest such exercises since World War II.

As one source stated to *EIR*:

"Even if the troops leave, we believe their equipment will remain in forward positions in East Germany and Czechoslovakia, giving them the capability to sneak back in and be combat-ready close to Germany and Austria."

Another source added:

"This airlift creates for the first time in the postwar period, a Soviet order of battle with a three-airborne-division capability in forward basing mode, adding one airborne division each in East Germany and Czechoslovakia to the one on permanent station in Hungary."

Austrian defense sources, in addition to expressing concern over the Soviet buildup in Czechoslovakia, are troubled by a quiet but ominous Soviet buildup in neighboring Hungary as well. Recently, the Soviet Union transferred one air regiment of "Fencer" fighterbombers to Soviet air bases in Hungary.

Indian government accuses Singh Chauhan

The Indian government has issued a 170-page report on the Sikh insurgency movement which sought to separate India's premier grain-state, Punjab, from the rest of India through a 10-month reign of terror. The report names Sikh exiles in Western

Europe and the United States as responsible for the insurrection, specifically identifying the National Council of Khalistan led by Jagjit Singh Chauhan, who is based in London. The Indian report also named the Dal Khalsa group in Britain and West Germany, and the Babbar Khalsa and Akhand Kirtani Jatha groupings who have followers in Britain and Canada.

EIR had earlier pinpointed Chauhan as one of the key controllers of the Khalistan movement, and reported that he is funded by the Nazi International and the Swiss-Nazi grain-cartel family, André. Shortly after Indian troops crushed the Sikh insurrection by storming the Golden Temple at Amritsar, Chauhan took to the airwaves, courtesy of BBC, to announce that a commando unit had been formed to murder Indian Prime Minister Indira Gandhi.

LaRouche: 'Throw Soustelle out'

"Nazi anthropologist Jacques Soustelle and his ilk should be prevented from ever setting foot in Peru or in the rest of Ibero-America," U.S. Democratic party presidential contender Lyndon LaRouche said July 9, citing Soustelle's connections to the Sendero Luminoso terrorist gang now on an assassination rampage in Peru.

French anthropologist Soustelle, LaRouche charged, is trying to "throw Peru into a dark age of barbarism just as the Khmer Rouge did in Cambodia under Pol Pot." He explained that Soustelle's followers trained the leadership of Sendero Luminoso at the Sorbonne in Paris and the University of Huamanga in the southern Peruvian city of Ayacucho. "They are not defenders of the Quechua-speaking Indians of the southern highlands," he continued. "They are French-speaking anthropologists, straight from the Sorbonne. They are the enemies of the Quechua-speaking Indians, and of the whole human race."

LaRouche warned that the terrorist gang's violence and targeting of the capital city of Lima is intended to provoke a Pin-

ochet-style military coup by allies of Henry Kissinger, in order to enforce the implementation of the International Monetary Fund's austerity conditionalities.

LaRouche noted that the U.S. State Department's Luigi Einaudi—a member of the Italian Einaudi family which backed Mussolini's rise to power in 1922—was just in Peru, meeting with Soustelle's anthropology friends at the Institute of Peruvian Studies. The Kissinger-Einaudi strategy, LaRouche charged, is to sink Peru and other Ibero-American nations into chaos and ungovernability, and then foster border conflicts among these nations. He noted that this strategy was elaborated in a 1975 Rand Corporation document entitled "Future U.S. Security Relations in the Latin American Context," written by Einaudi's colleague David Ronfeldt.

Soustelle is the authority of the "action anthropology" school that glorifies backward cultures, and a top figure in the French "New Right" and "Society for Endangered Peoples" section of the Nazi International. In the 1950s, he founded and led the fascist paramilitary Secret Army Organization (OAS) which carried out random and targeted terrorist attacks in France and Algeria. The OAS was accused of more than 30 assassination attempts against French President Charles de Gaulle.

From Russia with Love

According to well-placed sources, a major scandal could soon strike the Palme government of Sweden, which is covering up for a torrid love affair between the Chief of Security Police at Arlanda International Airport outside Stockholm, Sven Hugo Smedjegarden, and a Swedish woman employed by the Soviet airline Aeroflot who is married to a Soviet citizen.

The object of Smedjegarden's affections is one Anita Berg, born in 1942 of Swedish Communist Party parents, during those wartime years when Sweden was home for key Comintern figures including the later head

of the East German intelligence service, Erich Wollweber. Anita's childhood was partly spent in Soviet "Young Pioneer" Camps and "Exchange School" programs. In 1966 she married Alexander Kochergin, and since the mid-1970s has been working for Aeroflot in Sweden. She is currently "Air Terminal Hostess" at the Aeroflot office at Arlanda Airport.

We report without comment the fact that Smedjegarden, who has access to defense contingency planning for the airport, has banned the sale of *EIR* from the premises of Arlanda.

Hitler Book briefing miffs Swiss, Soviet reporters

A press conference held by the German Schiller Institute in Bonn on July 10 to present the German edition of *The Hitler Book* attracted nine journalists, including Swiss and Soviet representatives who grew visibly upset at what they heard. The short presentations given by representatives of the institute focused on attacking the U.S. Eastern Establishment, the Nazi-Communist alliance, and the Swiss financial oligarchy, among those who brought Hitler to power. Henry Kissinger, John J. McCloy, and the Swiss Nazi banker François Genoud were attacked by name as the most prominent representatives of these circles.

This provoked the journalist from *Swiss Political Commentary*, who claimed that François Genoud was "just a little dwarf" compared to "old SS generals such as Otto-Ernst Remer who are active today in Germany." The journalist turned silent, however, after some words were said on the nature of the Nazi International, at the center of which one finds Genoud.

Mr. Frenkin, the Bonn correspondent of the Soviet KGB's *Literaturnaya Gazeta*, was upset by the attacks on the recently rehabilitated Vyacheslav Molotov, architect of the Hitler-Stalin Pact and advocate of a broader Nazi-Communist alliance in the 1930s. When you rehabilitate the man, you reha-

bilitate the policy, said one speaker. Frenkin remarked later that "nothing of what is being said on Molotov is true, it is just a specific Western propaganda line put out to do harm to the image of the U.S.S.R."

The Hitler Book has also been published in English by the U.S. Schiller Institute. It is edited by Helga Zepp-Larouche, wife of *EIR* founder Lyndon LaRouche.

Moscow may strike into Baluchistan

The Soviet Union's favored military option in the Gulf region may be a strike from Afghanistan into the Baluchistan regions of both Pakistan and Iran, Iranian military observers have told *EIR*.

The Soviet military presence in Iranian Baluchistan is already extensive, and centered in the military monitoring post of Kuh-Malek Siah inside Iran, at the borders with Afghanistan and Pakistan. The Soviet base, built at the request of the Iranians after the 1980 American attempt to rescue the U.S. hostages in Teheran, houses some 2,000 Soviet soldiers; in addition, some 500 specialists man a listening station that is able to monitor all troop movements in the region.

According to Iranian sources, the Soviets have infiltrated thousands of agents into Iran, focusing on Baluchistan, using the "Islamic Marxist" Mujahedeen movement. The Mujahedeen leadership is controlled by the Soviet KGB.

Moreover, regular meetings between Iranian and Pakistani Baluchis have recently taken place in both Baghdad and London, under Soviet sponsorship.

Observers say that the key thing to watch is Moscow's latest offensive in Afghanistan, which is viewed as an effort to finalize Soviet takeover of the country, and achieve a total purge of all anti-Soviet elements. A shoot-out in the Afghan cabinet between the pro-Soviet Defense Minister and the less submissive Transport Minister is indicative of the purge process accompanying the offensive.

Briefly

● **TONY NEGRI**, the Italian terrorist, should be extradited to Italy, says a new "Committee for the Extradition of Tony Negri," launched by the European Labor Party in France to campaign against French government harboring of Italian terrorists. A party spokesman cited the condemnation of 57 Italian terrorists in Rome on June 12, including an *in absentia* 30-year jail sentence for "terrorist philosopher" Negri, now residing in France, for his part in the Aldo Moro murder.

● **CARLTON TURNER**, President Reagan's adviser on narcotics affairs, has announced the U.S. government's intention to sign anti-drug treaties with Panama, Peru, and Mexico. According to Colombian press, Turner stated that "as for those drugrunners who use banks to launder money, I can say that we are negotiating treaties with the mentioned countries that would allow us to confiscate those dollars and destroy the traffickers' organizations."

● **CHRISTIANIA**, the drug-infested "free zone" of Copenhagen, should be closed down, city police chief Knud Olesen has declared in a press release. He cited recent incidents in which both tourists and grade-school children had been subjected to brutal attacks, robbery, and rape. He said that even entire tourist buses have been attacked by Christiania's drug addicts and criminals.

● **SIR ALFRED Sherman**, former head of the Center for Policy Studies, told *EIR* on July 13: "It's bound to become the case that the U.S. will redeploy to the Pacific and to Central America. . . . Presumably, that will mean that continental Europe will be taken over by the Russians. . . . My advice . . . is 'Emigrate!'" When told that *EIR* founder LaRouche had met on the debt crisis with Argentine President Alfonsín, he stated: "The Argentines are the most useless lot in the world. . . . The Venezuelans and Peruvians are people of low quality, but the Argentines are even worse."

The Democratic platform betrays KGB script

by Mary McCourt

The Democratic Party convention meeting in San Francisco the week of July 16 has been designed to be the realization of the Averell Harriman-McGeorge Bundy faction's commitment to subverting the American republic. As tens of thousands of homosexuals mass to oppose the fundamentalist Moral Majority, and more thousands of peaceniks—the heirs of Neville Chamberlain—march with terrorists in their midst, the Harrimanites will force the Moscow-dictated nuclear freeze on the party of Franklin Delano Roosevelt and of Lyndon H. LaRouche.

The draft of the Democratic Party platform issued under the aegis of Walter Mondale's vice-presidential designate Geraldine Ferraro, which commits a Democratic President to declaring a moratorium on testing and deploying nuclear and space-based weapons immediately after inauguration, shows the willingness of the Harriman Democrats to sacrifice both party and nation to the dictates of the Soviet KGB and of the European oligarchy which sponsored Mussolini's corporatist economic policies 50 years ago. Pamela Churchill Harriman and her flunkies Chuck Manatt and Robert Strauss have shown themselves truly inspired Soviet agents of influence.

Since the end of the primary period, as Walter Mondale, the leftover of Jimmy Carter's disastrous administration, emerged as the party's presidential nominee, party unity has been the excuse for wrecking all Democratic credibility. On June 25, Sen. Ted Kennedy endorsed Mondale just as Gary Hart dropped his threat to challenge 669 of Mondale's delegates whom Hart contends were tainted by use of special interest funds (meaning they were bought).

The electorate's response to the KGB's dictates was made

clear in the primaries. In 11 of the 26 primaries held, Democratic turnout was below the levels of either 1976 or 1980, despite the surge in black voters' turnout and registration. In California the turnout was the lowest since 1948.

Soviets dictate policy

In an unusual closed session the week of June 4, the Pentagon presented the Senate with irrefutable evidence that the Soviets were embarked on a massive effort of their own to develop anti-missile beam weapons. On May 31, Democratic presidential candidate Lyndon H. LaRouche had gone on nationwide television to expose Soviet embassy involvement in drafting legislation designed to end U.S. efforts to develop a ballistic missile defense. H.J.R. 120 and its Senate counterpart, S.J.R. 129, were endorsed and sponsored by hundreds of Democratic Congressmen.

The Harriman wing of the party will sacrifice all chances of electoral success—and national security—because Moscow has insisted that the nuclear freeze must remain as the centerpiece of the campaign.

This explains the content of Kennedy's recent endorsement of Mondale, and much of the content of the June 21 draft proposal from the Democratic Party Platform Committee. Both Kennedy and Mondale continue to embrace the nuclear freeze and oppose beam weapons in spite of LaRouche's exposés and the Pentagon report.

Kennedy's backing of Mondale called for Democratic unity against Reagan. In comparing Mondale to Reagan, Kennedy pointed out that while Reagan has been the first President since Herbert Hoover not to have met with the

Soviet leadership, Mondale has already spent more time in face-to-face discussions with the Soviets than Reagan. "President Mondale," Kennedy said, "will negotiate with the Soviet Union for an immediate, mutual, and verifiable freeze on the testing, production, and deployment of nuclear weapons."

What Ted Kennedy neglects to mention about Mondale is that during the Carter-Mondale regime, the Soviets developed a military strategic edge (Defense Secretary Weinberger identifies 1979 as the year that the Soviets jumped ahead). Policy makers including Soviet agent-of-influence Henry Kissinger covered up consistent Soviet violations of the SALT treaties.

The draft platform builds to a crescendo of anti-technology and anti-science hysteria, couched in a diatribe against the Strategic Defense Initiative first proposed in Washington, D.C., in the spring of 1982 by Lyndon LaRouche and adopted in part by President Reagan in March 1983. Worse, the fundamental question underlying the strategic crisis—the impending worst collapse of the world economy since the 14th century—is given only lip service by the Harrimanites. Where LaRouche has outlined a comprehensive, rapid solution to the burgeoning of debt and the collapse of industry worldwide, the draft Democratic platform has nothing to say.

After attacking the budget deficit as intolerable—the stance used by the Tip O'Neill forces in Congress over the past year to justify slashing the defense budget and, with it, the Strategic Defense Initiative—the draft platform goes on to endorse, at length, the very corporatist labor-management policies that made Benito Mussolini the favorite of Averell Harriman in the early 1930s.

After severely condemning nuclear energy development, demanding gas production from garbage dumps, and denouncing "one or a limited number of reproductive choices only," the platform, under the headline "Justice," supports "legislation to prohibit discrimination in the workplace based on sexual orientation" and calls for enhanced efforts to combat AIDS. Then comes the attack on beam weapons technology. The section headed "Peace and Security," begins with a quote from Dr. Jerome Wiesner (the science adviser who advised Kennedy against the Apollo project) and Dr. Carl Sagan attacking science: "Star Wars is not the path towards a less dangerous world. A direct and safe road exists: equitable and verifiable deep cuts in strategic offensive forces. We must abandon the deep illusion that ever more sophisticated technology can remove the perils that science and technology have created."

It was Jerome Wiesner who appeared at the side of Democratic National Chairman Charles Manatt to denounce the successful test of the Homing Overlay Experiment earlier this month. This interception of a missile in space demonstrated the feasibility of anti-ballistic missile defense to the world, causing Manatt to denounce the experiment as potentially destabilizing. Destabilizing to his control of the Democratic Party, that is.

'Defend homosexuals but not the country'

The following are excerpts from the proposed Democratic Party Platform. Subheads have been added.

On the economy

[The Reagan budget] deficits are intolerable. . . .

In the last three years, the Defense Department was told by this Administration that it could have anything it wanted, and at any price. . . . But . . . American military strength must be secured at an affordable cost. . . .

And above all else, we will seek sensible arms-control agreements as a means to assure that there will be a future for our children and that we as a nation will have the resources we need to invest for the future. . . .

It is in the area of health care costs that reform is urgently needed. . . . We propose to control these costs, and to demand that the health-care industry become more efficient. We will limit what health-care providers can receive as reimbursement; spur innovation and competition in health care delivery; and encourage, where medically appropriate, alternatives to lengthy hospitalization. . . .

On corporatism

It is time that a national Economic Cooperation Council was created. Its character would be simple and basic: 1) to collect, analyze, and disseminate economic data; 2) to create a forum where the gap between business, labor, and government is bridged, where all three develop the trust, understanding, and cooperation necessary to improve productivity; and, 3) to identify national priorities, make recommendations on how best to reach those goals, and help build consensus for action [emphasis added]. . . .

Collapsing agriculture

We will use the full range of programs to reduce excess production when necessary to assure fair prices to farmers. . . . We will actively promote the production of ethanol and other biomass sources of renewable energy and encourage conversion to energy-self-sufficient farming operations. . . .

Environmental energy policy

[V]ast supplies of oil shales and tar sands represent future energy sources. Significant contributions to our energy supply can be made by utilizing renewable resources and indigenous energy such as active and passive solar systems, wind-power, geothermal and ocean thermal power, and the recovery of gas from agricultural wastes, coal mines, and garbage dumps. . . .

The Democratic Party strongly opposes the Reagan Administration's policy of aggressively promoting and fur-

ther subsidizing nuclear power. . . . We will abolish federal subsidies to the nuclear industry, including the Price-Anderson Act's limits on the liability of the industry in case of power plant accidents. . . .

Malthusian population policy

The Democratic Party . . . oppose[s] government interference in the reproductive decisions of Americans, especially government interference which denies poor Americans their right to privacy by funding or advocating one or a limited number of reproductive choices only. . . . The Democratic Party supports the 1973 Supreme Court decision on abortion rights as the law of the land. . . .

Homosexuality

All groups must be protected from discrimination based on race, color, religion, national origin, language, age, sex, or sexual orientation. We will support legislation to prohibit discrimination in the workplace based on sexual orientation. . . . We will support an enhanced effort to learn the cause and cure of AIDS, and to provide treatment for its victims. . . .

Attack on the Strategic Defense Initiative

"Star Wars is not the path towards a less dangerous world. A direct and safe road exists: equitable and verifiable deep cuts in strategic offensive forces. We must abandon the illusion that ever more sophisticated technology can remove the perils that science and technology have created."

Statement by Admiral Noel Gayler, Dr. Henry Kendall, Dr. Carl Sagan, and Dr. Jerome B. Wiesner (Democratic Platform Committee Hearing, June 12, 1984). . . .

Can America afford the irresponsibility of a President who undermines confidence in our deterrent with misleading allegations of Soviet nuclear "superiority" and whose Administration beguiles the American public with false claims that nuclear war can be survived with enough shovels? . . .

In a second Reagan term, will our heavens become a nuclear battleground? [emphasis in original]

On the nuclear freeze

The most solemn responsibility of a President is to do all that he can to prevent a single nuclear weapon from ever being used. Democrats believe that mutual and verifiable controls on the nuclear arms can, and must be, a serious integral part of national defense. *True national security requires urgent measures to freeze and reverse the arms race, not the pursuit of the phantom of nuclear superiority or futile Star Wars schemes* [emphasis added]. . . .

Mr. Reagan's . . . Star Wars proposal would create a vulnerable and provocative "shield" that would lull our nation into a false sense of security. . . . It would lead to the

death of the ABM Treaty—the most successful arms control treaty in history—and . . . provoke a dangerous offensive and defensive arms race. . . .

On arms control and disarmament

To reopen the dialogue, a Democratic President will propose an early summit—and regular, annual summits to follow—with the Soviet leaders, and meetings between senior civilian and military officials to reduce tensions and explore possible formal agreements. . . .

A new Democratic Administration will implement a strategy for peace which makes arms control an integral part of our national security policy. . . . *The first practical step is to take the initiative, on Jan. 20, 1985, to challenge the Soviets to halt the arms race quickly* [emphasis added]. . . . A Democratic President would initiate temporary, verifiable, and mutual moratoria. . . .

The Democratic President will: pursue deep, stabilizing reductions in nuclear arsenals within the framework of SALT II; . . . reaffirm our commitment to the ABM Treaty; . . . actively pursue a verifiable, anti-satellite treaty and a ban on weapons in space; seek a verifiable international ban on the production of nuclear weapons grade fissile material; . . . strengthen broad-based, long-term public support for arms control by working closely with grass-roots, civic, women's, labor, business, religious and professional leaders, including physicians, scientists, lawyers and educators. . . .

Conventional warfare

[A Democratic President will]: Work with our NATO and other allies to ensure our collective security . . . especially by strengthening our conventional defenses. . . .

Press our European allies to increase their contributions to NATO defense to levels of effort comparable to our own. . . .

Finally, a Democratic President will recognize our democratic process as a source of strength and stability rather than an unwelcomed restraint on his constitutional control of foreign policy. We will respect the War Powers Resolution as a reflection of wise judgment that the sustained commitment of America's fighting forces must be made with the understanding and support of Congress and the American people. . . .

Appeasing the Soviets

. . . [T]he Soviets . . . too, have no defense against a nuclear war. Our security and their security can only be strengthened by negotiation and cooperation. . . .

We must see the Soviet Union as it is—neither minimizing the threats that Soviet power and policies pose to U.S. interests, nor exaggerating the strength of a Soviet empire beset by economic stagnation and saddled with a bankrupt and sterile ideology. . . . We must pursue a . . . steady and pragmatic approach. . . .

Who is setting the East-West summit trap for President Reagan?

by Christopher White

Orders have now gone out from the White House, signed by the President himself, to prepare the ground for a resumption of arms talks between the United States and the Soviet Union this September in Vienna. Included is a parallel order to prepare for talks on anti-satellite weapons.

The signing of the orders was the culmination point in a set of activities coming from the White House which included the President's public meeting with Russian Ambassador and Pro-Consul in Washington D.C., Anatoly Dobrynin, on the weekend of July 4th, and Dobrynin's next-day breakfast meeting with Defense Secretary George Shultz. Dobrynin then returned to Moscow with messages and evaluations. In this flurry of activity, the Russians have ostensibly agreed to discuss the question of space weapons, without insisting on the inclusion in the talks of the Pershing and cruise-missile deployments in Europe. The United States, for its part, has proposed that if the Russians discuss the question of space weapons, it will then be prepared to discuss the missiles.

Both of these formulations appear to be shifts on the part of both parties concerned, all the more so since the missiles which the Russians have now dropped from the agenda have been, over the last months, the public *sine qua non* for any discussion of anything. However, this apparent reversal does not come as such a surprise to readers of this magazine.

Moscow's twofold concerns

We have insisted that despite all the noise about the stationing of the missiles in especially West Germany, the missile deployment was, from the Soviet side, only a cover for their real concerns. And, in turn, we have insisted that such concerns were twofold. First, their embittered opposition to President Reagan's Strategic Defense Initiative, which is seen as threatening the millennialist quest of a resurgent Russian imperialism for world domination, reviving the decaying technological and economic potentials of the U.S. economy as a rallying point for Western—and thus global—progress. Secondly, Moscow's effort to reduce the United States to second-rank power status, by destroying the U.S. alliance in Europe, breaking West Germany, the core of the

alliance in Europe, out of the alliance of Western nations.

The conclusion we drew from this was that the Russians have embarked on a course of strategic confrontation to break the power of the United States.

The current discussion of, and lobbying for, the revival of superpower summitry does not change that evaluation in the least. During the very week in which the *Washington Post*-led propaganda campaign on behalf of such efforts was at its height, the Russians mobilized force maneuvers to test their developed capability to invade West Germany. Those maneuvers, and their purpose, were not reported by the U.S. press, which preferred to regale its readership with the so-called peace initiatives. The Russians have continued to make very clear what they think of the initiatives coming from the United States. "Completely irrelevant from the Soviet standpoint," was the report of a lobbyist on behalf of such negotiations for the liberal United Nations Association, upon returning from consultations with the Russians in Moscow.

But this same lobbyist, Tobi Gati, was working with the Russians on the kind of initiative which has now been presented, and which is reported to be considered by the Russians themselves to be "completely irrelevant."

Ms. Gati's strange behavior typifies the fact that internationally it is the category of political forces classed as "Soviet assets" or "Soviet agents of influence" which launched and promoted the push for summitry. These include prominently Lord Carrington (now NATO secretary general and a member of Henry Kissinger's corrupt international lobbying group, Kissinger Associates), along with Henry Kissinger himself. Also included are leading forces in the cultist Socialist International, including Olof Palme of Sweden, Andreas Papandreou of Greece, and their allies in the social democracies of Finland, Austria, and West Germany.

The drive to topple Reagan

It was this combination of political forces, inside and outside NATO, that insisted, over the objections of the professional military establishment, that the recent round of Russian maneuvers targeting West Germany represented

nothing new, or even unusual, and attempted to suppress all discussion of those maneuvers. Like the Russians, but not necessarily for the same reasons, they maintain a commitment to either defeat Ronald Reagan in the upcoming U.S. elections, or put a re-elected Reagan under the control of their principal U.S. stooge and enforcer, Henry Kissinger. Hence they push the idea of "summitry" as a political instrument on behalf of that objective.

This approach has most recently been put forward by the British newspaper the *Financial Times*, in evaluating the significance of the visit of Her Majesty's Foreign Secretary Geoffrey Howe to Moscow, and by the Swiss newspaper *Neue Zürcher Zeitung*, which wrote: "To spoil the chances of victory of its hated opponent [Reagan], Moscow could still conduct a test of strength with Washington in which more than theatrical talent would be put to the test." The Swiss paper argues that "obviously the Soviet Union would like to prevent the deployment of a technologically highly developed American anti-missile system. . . . An added purpose is to split the West and try to stop Reagan."

For the Swiss, "the actual electoral political effects of an international crisis have to be, of course, reliably calculated, and the calculation of the American psychology has not been exactly Moscow's strong-point." In this view, shared by the circles in Britain associated with Kissinger's boss, Lord Carrington, Russian negotiating terms are in fact an agenda for the dictated surrender of U.S. world power under conditions of Soviet confrontation blackmail threat, or continued dominance of Henry Kissinger in the United States.

Thus in the press conference which concluded Geoffrey Howe's Moscow visit, Soviet Foreign Minister Andrei Gromyko pointedly illustrated that underlying commitment, and an accompanying fear, in stating that Western lobbyists for the Reagan Strategic Defense Initiative, "whether inside or outside the military," have to be pushed aside.

Gromyko was referring to the international forces associated with Democratic presidential candidate Lyndon LaRouche, and was answering a challenge developed in LaRouche's recent national television broadcasts. LaRouche is the leader of those forces in the United States which view a process of capitulation to Soviet blackmail, glossed as "strategic negotiations," as unacceptable. He therefore authored a "Proposed Memorandum of Understanding between the United States and the Soviet Union," which was published in this magazine on April 17, 1984, to provide a way for both nations out of the present slide into crisis. The content of this Memorandum had also been presented in LaRouche's national television broadcasts.

LaRouche proposed areas for U.S.- Soviet potential agreement and collaboration on the basis of the forced-march development of the advanced relativistic-physics-based technologies associated with the Strategic Defense Initiative, to render the threat posed by existing arsenals of ICBMs and

IRBMs obsolete, while simultaneously eliminating the causes of the slide into crisis and war by creating a new monetary system and embarking on great projects for industrializing the so-called developing sector.

Unlike the "negotiating proposals" that have been placed on the table by the Soviets and their Western assets, LaRouche's solutions address the crises in East-West relations and North-South relations by proposing a reassertion of the power of the republican institution of the nation state, based on the fostering of the development of science- and technology- vectored economic progress. The Russians' interest in continued development and the avoidance of war would be recognized, but they would to abandon the barbaric millenarianism that underlies the current drive for empire and world domination.

Gromyko's remarks, combined with continued Soviet propaganda against LaRouche and the organizations associated with him—as in the pages of Soviet-linked publications like *Deutsche Blätter für Internationale Politik*, where the LaRouche organizations are attacked as the "lobby" behind the adoption of Reagan's Strategic Defense Initiative—demonstrate Moscow's fear that U.S. institutions might be mobilized on behalf of the kind of perspective identified in the LaRouche-proposed "Memorandum of Understanding."

But, on the other hand, the Russians are as well aware as anyone that the United States is in the middle of an election campaign, and that considerations based on world strategic realities are thus readily relegated from the forefront of judgment in favor of the quagmire of pragmatism and perception associated with U.S. election campaigns. And thus the Russians encourage the illusion that they will talk, as Khrushchev did with Eisenhower, to buy time to mobilize the forces which they think will resolve the crisis in their favor.

They are finding plenty of helpers in this effort in the West, especially among the ranks of those who, like James Baker III and Michael Deaver, argue that the "perception" to be cultivated in an election year is above all one of peaceful intentions. And thus initiatives like that promoted by the United Nations Association, through trips to Moscow and consultation with the Russian mission to the United Nations, find sympathetic ears, through such people as Richard Darman, a long-time associate of Elliott Richardson, who presented the lobbying effort to public view. Richardson is working closely with supporters of Walter Mondale like former Secretary of State Cyrus Vance and Orville Freeman, the chairman of Business International.

Russian "calculation of American psychology," in building for a crisis, includes prominently the judgment of the degree to which the proposals associated with these kinds of moles influence the making and the presentation of administration policy. In that respect, their blather about "summits" and "strategic negotiations" is in fact disarming the United States for the crisis which is now building over Europe.

Medicare cuts to enforce 'right to die'

by Kathleen Klenetsky

Millions of elderly Americans face the possibility of being denied access to health care as a result of lethal new reductions in Medicare, the federally-financed program which provides medical coverage for America's more than 30 million senior citizens. As Lyndon H. LaRouche, Jr. warned on a national television broadcast on March 26, 1984, the Reagan administration is in fact implementing Nazi euthanasia against the elderly, whatever the conscious intentions may be.

The cuts, totaling a whopping \$11 billion, were finalized on June 27 as part of a deficit reduction package which also included \$50 billion in new taxes. The House of Representatives approved the reductions by a vote of 268-155, followed by the Senate voting them up by a similar margin. The cuts had the enthusiastic support of the Reagan administration. Just before the vote, Reagan had sent a personal letter to Congress reiterating his backing for "this major element of the deficit reduction package" and claiming it "will help ensure that the economic recovery now under way is sustained. . . ."

Legislating murder

As mandated by the legislation, the Medicare cuts will be achieved through the following methods:

- a two-year increase in what Medicare recipients pay for doctors' visits;
- a rise in the premiums which Medicare enrollees pay to an estimated \$21.30 a month by 1987;
- a 15-month freeze on doctors' Medicare fees;
- a limit on the rate of increase in payments to hospitals for in-patient services for Medicare beneficiaries. The bill also establishes a national fee schedule for laboratory services.

The reductions represent the latest and most savage attack on Medicare, which serves as the sole source of medical-care assistance for many elderly Americans. Coupled with slashes in state and local social-service programs, many senior citizens will now be completely cut off from doctor and hospital care and left to die, simply because they cannot afford the premium and payment increases.

This is tantamount to outright murder, but the liberal Democratic coterie around Walter Mondale—which has vociferously criticized the Reagan administration's social-service budget-axing—nevertheless supports the cuts. As House Majority Leader Jim Wright (D-Tex.), an early Mondale

endorser, put it, the Medicare cuts represent "a reasonable compromise."

Medicare recipients have already been hard hit by previous cuts in the program. Financing for Medicare has declined steadily since 1981, a victim of the Nazi-modeled "cost-benefit analysis" mentality epitomized by Colorado Gov. Richard Lamm's recent demand that the elderly and terminally ill "die and get out of the way" because they're using up precious resources.

Last October, the federal government enacted sweeping changes in Medicare. The primary innovation involved the creation of a prospective payment system, under which Medicare reimburses physicians and hospitals based on what it figures treatments should cost rather than on what they actually do cost. Four hundred and seventy separate categories of treatment, or Diagnostic Related Groups, each with a corresponding reimbursement schedule, have been established. If a hospital spends more than the schedule permits, it is no longer reimbursed for the difference.

The new system has forced hospitals to adopt drastic measures simply to stay alive. "Efficiency experts" are being called in, personnel laid off, diagnostic tests reduced, and doctors lectured on the art of cost control.

One of the worst results has been the forced discharge of many "unprofitable" Medicare patients. At Senate hearings in February, Dr. Thomas Dehn, a radiologist and vice president of the American Medical Peer Review Association, testified about an elderly Medicare patient who was discharged from a Milwaukee hospital Dec. 29 and sent to a nursing home, even though she was suffering congestive heart failure and pneumonia. She died before she could be readmitted to the hospital.

The same nursing home, Dehn said, reported at least five other cases of hospitals' prematurely discharging patients in an effort to avoid costs in excess of Medicare DRG fees.

On top of the federal Medicare cuts, many states have also enacted their own reductions. Mississippi, for example, recently slashed \$24 million from its Medicare budget. The state of Alabama just set up a review board which decides whether or not a Medicare patient should even be allowed into the hospital. Hospitals will not receive payment for patients admitted on an emergency basis who subsequently do not receive board approval.

The devastating effect of the Medicare cutbacks dominated discussion at the American Medical Association's House of Delegates meeting in June. Numerous physicians said that they feared that the growing "right-to-die" movement, coupled with medical cost-cutting, will force them to do less than they should to care for their patients. The AMA's Board of Trustees predicted there will be an "inevitable clash" between the use of new medical technologies and cost-containment. Pointing to the Medicare cutback, the trustees said that it "threatens to interpose itself . . . versus good medical care."

Kissinger Watch

by M. T. Upharsin



Kissinger and papal bull

We now have a better inkling of some of the things that transpired in the backrooms and corridors of the late June meetings Dr. Henry Kissinger had in Italy.

On June 25, Washington's tyrannical fat boy had a session with Pope John Paul II, during the complex of his tête-à-têtes with the oligarchy of Rome. Within days of Fat Henry's return, on July 9, the *Los Angeles Times* published a spectacular "exposé" attempting to blame U.S. Ambassador to the Vatican William Wilson, a close friend of Ronald Reagan, for efforts to enlist individuals in the Reagan administration to come to the defense of scandal-ridden Vatican financier Paul Marcinkus and crime-connected Belgian-Swiss swindler Marc Rich.

The source of the exposé is most suspect: Weeks ago, the *Los Angeles Times* Syndicate signed a giant contract with Dr. K. for a regular column for a consortium of newspapers worldwide, to allow Fat Henry to pontificate on the strategic and debt crises in the United States, Argentina, Spain,

Italy, and elsewhere.

The content of the exposé is, in crucial respects, even more extraordinary. It claims that Lawrence Eagleburger, then number-three at the State Department and now the president of Kissinger Associates, tried to intercede to dissuade Wilson from activities on behalf of Marc Rich.

It is no secret in the underworld of high finance and dirty money that the Marc Rich financial empire is, broadly speaking, one and the same with the financial empire of Henry Kissinger. The latter, of course, is growing rapidly thanks to Kissinger exploiting his political influence to make massive amounts of money through Kissinger Associates' "risk-analysis" delphic-oracle scams.

Marc Rich, of obscure Belgian origins, had been a nobody before the Atlantic Richfield (ARCO) oil company poured money into his oil-trading operations during the 1972-73 period. Atlantic Richfield's Robert O. Anderson is a close friend of Dr. K., and is scheduled to spend the July 14-16 weekend with him at Venice's Cini Foundation. The period in question was one when Kissinger rigged the 1973 Arab-Israeli war to engender the giant "oil hoax" price boom to benefit his oil company friends.

In later years, before the New York Southern District Court went after him in August-September 1983, Marc Rich built up a vast commodity-trading operation globally, in oil, gold, agriculture, and in a number of other, and not so kosher, areas. One of his more lucrative partners was Denver's oil magnate, Marvin Davis, who brought Rich into the empire of Twentieth-Century Fox, on whose board of directors Kissinger sits.

In the 1972-82 decade, Marc Rich's dealings became a favored channel for operations of many types of individuals and services, but most prominently the nexus intersecting Moscow and Geneva.

Scapegoating of William Wilson

In short, the targeting of William Wilson is a nasty little trick. Kissinger's mafia buddies in the United States and in Europe are looking for ways of bailing out of the corrupted Marc Rich empire, and want to find a scapegoat.

More than this: Ambassador Wilson has the virtue of being one of the increasingly rarer species of American envoys abroad committed to strong ties between the United States and its friends overseas. He is a close personal friend of Ronald Reagan, and has mediated the delicate process of consolidation of U.S.-Vatican ties that has transpired over the past year.

This is an especially important post from the standpoint of preempting those powerful and growing tendencies at the Holy See, especially in the circles of Cardinal Casaroli that control Italian Foreign Minister Giulio Andreotti, tendencies toward making an across-the-board strategic and political deal with the Byzantine imperialists who rule in Moscow. Knock out an American connection into the Vatican, and you've handed an important chunk of the world map to the Russians.

At stake as well is the question of American-European ties in a broader sense. Fat Henry, unprincipled unspeakable that he is, has in recent days been making a financial killing through associating himself with those business interests and politicians in Europe most committed to an "independent Europe" recognizing Soviet geopolitical hegemony on the continent.

Months ago, Rep. Henry Gonzalez (D-Tex.) had attacked Kissinger's "conflict of interest" in using his Reagan administration Central America post to make a fortune for Kissinger Associates. The upcoming Kissinger Watch unauthorized biography, *Henry Kissinger: Thief*, will compile further evidence to the same effect.

Elephants and Donkeys

by Kathleen Klenetsky

Senate contests threaten Reagan's power

While the presidential election has dominated the American political scene since February, there are several Senate battles whose outcome could shift control of the Senate's Republican majority even more into the hands of Henry Kissinger and his circle, giving Kissinger added power over the administration.

One of the more important of these is taking place in Massachusetts, where Elliot Richardson is vying for the Senate seat now held by by Sen. Paul Tsongas, a liberal Democrat who has decided not to seek reelection for health reasons.

Richardson is one of the brightest stars in the Eastern Establishment firmament. Scion of a Boston Brahmin family, Richardson has espoused a Malthusian, one-worldist viewpoint throughout a political career that has taken him from Harvard Law to the Court of St. James, with stops as Secretary of Defense, Commerce, and the Department of Health, Education and Welfare in between.

In the Senate, Richardson is expected to line up with the gaggle of liberal Republicans headed by Senators Charles Percy and Chuck Mathias.

Richardson and the Palace Guard

Richardson is being opposed in the September primary by Ray Shamie, a conservative Republican who ran a vigorous, though ultimately unsuccessful, campaign against Sen. Ted Kennedy back in 1982.

Although Shamie's politics are far more in line with President Reagan's than are Richardson's, Richardson is still receiving the Republican Party's official support.

This occurred through the direct intervention of the White House Pal-

ace Guard—the James Baker-Michael Deaver-Richard Darman nexus which has pushed and prodded Reagan into adopting a “moderate” approach to strategic issues at the precise time when the Soviets are preparing to instigate a major international crisis in order to deny Reagan reelection. Richardson goes back with Baker at least a decade, and with Darman even further.

A Richardson victory is being treated as a foregone conclusion. On the day he announced, the Massachusetts media declared him a shoo-in. The Democratic Party leadership is doing nothing to prevent that. In fact, when Richardson entered the race, Rep. John Markey, a liberal Democrat who had planned to run, suddenly withdrew.

The Royal Family's two cents

An equally pivotal contest is taking place in North Carolina, where long-time conservative Republican Senator Jesse Helms is facing a strong challenge from Gov. James Hunt.

Hunt, a liberal Democrat who espouses a radical post-industrial policy, is championing the cause of Great Britain in his campaign. Hunt is running television ads attacking Helms as the only U.S. Senator to vote against Great Britain's attack on the Malvinas in 1982.

In October, the Queen of England is coming to North Carolina to commemorate Sir Walter Raleigh's landing in America. Squirring her around the state will be candidate Hunt. Sources in the state report that “Anglophilia is at an all-time high” there, and that Hunt is exploiting it to the fullest.

The American Israeli Political Affairs Committee has unofficially organized some very rich Zionists to pump tens and perhaps hundreds of thousands of dollars into Hunt's campaign coffers. This is ostensibly being

done for fear that Illinois' Senator Percy might be defeated in his reelection campaign, which would mean that Helms would replace him as chairman of the Senate Foreign Relations Committee.

The Democratic Party's elite is also throwing its weight behind Hunt. Cyrus Vance, Robert McNamara, Angier Biddle-Duke, and other big guns have attended fundraisers for him in New York.

Texas:

A loser either way

Senator John Tower's (R-Tex.) decision to retire when his term expires this year has resulted in a Texas-style free-for-all. After a hotly contested Democratic primary—in which vote fraud against one of the contenders, Rep. Kent Hance, allegedly took place—Austin state senator Lloyd Doggett emerged as the party's nominee.

A “new breed” liberal who opposes adequate defense spending, supports gay rights, and advocates a “pay as you go” approach to domestic spending, Doggett is being backed by Ray Marshall, Secretary of Labor in the Carter administration.

Doggett's opponent in the race is Rep. Phil Gramm, an ex-Democrat linked directly into the Swiss-based Mont Pelerin Society, a group of anti-American economists which preaches the “free enterprise” epitomized by Milton Friedman's call for legalizing heroin.

Gramm has been endorsed by Tower, and is campaigning as a Reagan loyalist. His effort is being lavishly funded by Texas oilmen. Doggett has the state Democratic Party's backing, but his finances are said to be in poor shape.

However, as a seasoned Texas political organizer told *EIR* recently, “no matter who wins this race, it will be bad for both the state and the nation.”

National News

Reagan pledges war against the drug mafia

President Ronald Reagan, in a speech before the Texas Bar Association in San Antonio on July 6, stated that "this administration seeks no negotiated settlement, no détente, with the mob."

"We have it within our power to shatter the regional and national syndicates that make up organized crime in America," the President said. "Our goal is to cripple their organization, dry up their profits, put their members behind bars where they belong."

Reagan claimed that "for the first time [we are] making a serious effort to confiscate the financial assets of the mobsters." He drew special attention to the success of 12 new regional drug task forces which have cracked several drug rings, including 143 drug "kingpins."

U.S. press accounts of the President's speech generally omitted these statements on the war against the mafia, while portraying the address as the start of a campaign which will violate civil liberties.

Charge coverup of Soviet arms violations

Senator Steven Symms (R-Idaho) and John East (R-N.C.) have prepared a 31-page report charging that a "secret executive agreement" with the Soviet Union, concluded in late 1981 and early 1982 by the Reagan administration, allowed the Soviets to violate important parts of the SALT II treaty. The report was sent to President Reagan on July 2.

The two senators argue that because the executive agreement has been violated by the Soviets, it—and the SALT II treaty, which has not been ratified—should be repudiated by the administration.

Symms and East based their analysis on an examination of the classified January 1984 "Report to Congress on Soviet Non-Compliance with Arms Control Agreements" and other data. Their conclusion was that clas-

sified "diplomatic exchanges" between then Secretary of State Alexander Haig and Soviet Foreign Minister Andrei Gromyko resulted in an understanding which turned SALT II into a "mere hollow shell for the Soviet Union and a constraining straightjacket for the U.S." Among other things, the Soviets were "permitted to exceed all four of the ceilings of SALT II with apparent acquiescence by the U.S."

Symms and East also questioned a recent cable they said was sent by Secretary of State George Shultz to U.S. embassies, reaffirming that the United States would comply with SALT II through its late-1985 expiration date. This "could easily be interpreted as appeasement of the Soviet Union through open and official toleration of gross Soviet strategic superiority and violations," the senators charged.

In June, Senator Symms gave a speech on the Senate floor charging that Henry Kissinger had lied to Congress about Soviet arms control violations in order to get SALT I ratified.

Anti-ABM group targets 'Talon Gold' program

A "National Coalition to Save the ABM Treaty" was launched at a press conference on June 21 in Washington, D.C., featuring leading arms-control advocates. The coalition's aim, according to spokesman John Rhineland, is "to prevent any scientific or technological discovery which will endanger the ABM Treaty."

The coalition has particularly targeted the "Talon Gold" surveillance, tracking, and discrimination program, which is developing advanced sensing capabilities for anti-ballistic-missile "kill" by any advanced energy-beam or conventional intercept technology.

Rhineland, a former legal adviser to the U.S. delegation to the SALT negotiations, explained: "The testing of the Talon Gold program is the one thing which *must* be stopped. The research done up to this point does not constitute violations of the ABM treaty, but Talon Gold will be a major confrontation."

Gerard Smith, former chief ABM Treaty negotiator, assured the assembled press that "the Soviets will hold their ABM development to a research-only phase if we do. . . . Undoubtedly they will eventually conclude that these things do not really work, and will drop them also."

Coalition sponsors include W. Averell Harriman; Rev. Theodore Hesburgh; Jimmy Carter; William Colby; Lloyd Cutler (Carter's chief White House counsel); McGeorge Bundy; Edward Brooke; Ellsworth Bunker; MIT's Dr. Raymond Garthoff; IBM's Dr. Richard Garwin; Stanford University's Dr. Sidney Drell; Caltech's Dr. Marvin Goldberger; and Adm. Noel Gayler, USN (Ret.).

Geraldine Ferraro: a liberal's liberal

Walter Mondale's vice-presidential running mate, Rep. Geraldine Ferraro, is described by New York political analysts as a female version of Gov. Mario Cuomo: Her image as a traditional, white-ethnic, family-oriented Democrat camouflages a kooky "post-industrial" and anti-defense mentality. Ferraro was one of the co-sponsors of H.J. Resolution 120—the bill calling for a ban on space-weapons testing which, as *EIR* has shown (June 5, 1984), was drafted in consultation with the Soviet embassy in Washington.

Ferraro kicked off her campaign with a speech July 11 to the World Affairs Council of Northern California, billed as her first major foreign policy statement. It reiterated the major points of the Democratic Party platform, including opposition to the MX missile and to President Reagan's Strategic Defense Initiative. Ferraro chaired the Democratic Party platform drafting committee.

Ferraro won her first political race in 1978, for the congressional seat in the 9th C.D., a Queens district with marked Republican leanings. She became a protégé of Speaker of the House Tip O'Neill almost immediately after arriving on Capitol Hill. O'Neill helped secure her a seat on the Budget Committee and the appointment as

chairwoman of the Democratic Platform Committee, and lobbied for her to get the VP slot.

She participated in the January 1983 retreat, entitled "1983/2003, Transitions in Industrial Democracies: Leadership in the Next 20 Years," which featured Gary Hart and 35 up-and-coming young political leaders from around the world. The conference, which was run by the Aspen Institute and the Kettering Foundation, laid out a strategy for a "post-industrial" transformation.

Ferraro's voting record in Congress has been straight liberal Democrat: She voted against the MX, the AWACS sale to Saudi Arabia, nerve gas production, the Reagan 1981 budget and tax cut, the SDI, and for the nuclear freeze and the auto local content bill. She supported withdrawal of U.S. troops from Lebanon.

Ferraro is "pro-choice" on abortion, but downplays the issue for fear of alienating her constituents.

Problems in space communication tackled

The Martin Marietta Company is working on a contract for the Air Force to help solve potential problems of vibrations in large space structures. The National Aeronautics and Space Administration (NASA) is also interested in this problem, which will affect large communications antennas and related space station equipment.

NASA plans to deploy large structures such as antennas, space station solar arrays, and Shuttle repair support hangars in space.

The work has important military ramifications: Vibration damping, to prevent small but disruptive motions in the structure, will be important in antiballistic-missile defense systems if, for example, a laser beam has to be moved slightly from one target to another in fractions of a second. Since there is no friction from the atmosphere in space, the small vibration caused in the support structure, or truss, when the laser is moved, will not be naturally damped out.

Martin Marietta is looking into the use of metal composite structures for the truss

structures which will damp out the vibration. *Aviation Week* magazine estimates that testing of these new composite material structures could take place from the Space Shuttle in 1986.

'Nuclear winter' gang testifies in Congress

Carl Sagan, author, television personality, supporter of various Pugwash Conference schemes for U.S. unilateral disarmament, and the leading proponent of the idea that nuclear war would lead to a "nuclear winter" that would make life impossible on the planet, testified on July 11 before the Joint Economic Committee of the Congress that the only way to avoid such a catastrophe is to reduce the number of nuclear warheads to below the "threshold" for triggering nuclear war.

Also testifying before the committee were: former arms negotiator Paul Warnke, Adm. (ret.) Noel Gayler, and Russell Murray, a former assistant defense secretary. Warnke said he could not evaluate Sagan's findings but was "dismayed by those who argue against them. . . . This is one theory we can't afford to put to the test." Warnke said that top priority should be given to ending and reversing the nuclear arms race, and criticized the notion that "greater security can be found in building more American weapons rather than negotiating reductions in Soviet warheads."

Gayler, a defense adviser to Gary Hart, testified that "the notion that we can have magic bullets, laser beams and energy beams, in space, layered defenses and terminal defenses, high frontiers and nuclear x-ray lasers to protect cities or population is an illusion." Civil defense can neither protect people nor cities, he said.

Gayler had received widespread publicity in Seattle last year when, during a disarmament forum, he physically assaulted a questioner from the audience who asked whether there was anyone on the panel who supported the policy of the U.S. government, President Reagan's Strategic Defense Initiative policy for anti-ballistic-missile defense.

Briefly

● **JOAN MONDALE** said in an interview on the "Good Morning America" television show on July 11 that her husband is "very funny in private. . . . All he has to do is work on the style, just be more himself, relax." She attributed Mondale's success in life to a special quality of "Norwegian charisma," because he "grew up in rural Minnesota . . . in a Scandinavian community."

● **THE WHITE HOUSE** report recommending that the United States halt financial aid to organizations that advocate abortion is under heavy attack from the liberal press. The *Baltimore Sun* in an editorial on July 9 called the President and his advisers "ignorant zealots."

● **CARLTON TURNER**, the adviser to President Reagan on narcotics affairs, has announced the U.S. government's intention to sign treaties with Panama, Peru, and Mexico that would permit confiscation of drug revenues. "As for those drugrunners who use banks to launder money, I can say that we are negotiating treaties with the mentioned countries that would allow us to confiscate those dollars and destroy the traffickers' organizations," he said.

● **KISSINGER BACKERS** are reluctant to press too hard for their man to become Secretary of State. "It's not the best idea to have Henry in there," said a columnist close to leading Eastern Establishment circles. "The best combination is to have Shultz stay in as Secretary of State, and to have Henry handle the arms-control and space-weapons negotiations. The problem is if you displace Shultz, then you throw away 50% of your chance to get Henry back in, because then Weinberger would take over the State Department, and the whole arms control crowd would be in even worse shape! . . . A lot of people are thinking in this town about how to get Henry in there if Reagan is re-elected, but it's going to be very, very tough."

Kissinger in Europe

The European oligarchy and the U.S. liberal establishment want to bring back Henry Kissinger as U.S. Secretary of State, in the context of a summit between the Soviet Union and the United States. Rumors are rampant in those circles that it will take Henry and his "negotiating style" to make a "deal" with the oligarchy running the Kremlin.

The Soviets carried out their biggest military maneuvers of the entire postwar period over the last week of June and into early July. Then, on July 12, the military threat to West Germany was made explicit by the release of Moscow's "memorandum" to Bonn. Yet Kissinger's backers are hoping that they can at least work out a truce with the Russians, just as Neville Chamberlain did in 1938 with Adolf Hitler.

They are perpetrating the wild delusion that the Soviets will be persuaded not to act on their threats during the American presidential election campaign.

It is in this light that Dr. Kissinger's July trip to Europe must be seen, where according to several reliable reports he was representing himself as a spokesman for the Reagan administration. Henry was there, at least in spirit, at every one of a dense series of pro-appeasement conferences inundating Western Europe, starting with the July 7-8 coven in Göttingen against President Reagan's beam-weapons defense policy.

The repetitive theme at all these events, as stated by Pugwashite scientist Victor Weisskopf in Göttingen on July 8, is to gear up an international campaign to bring Kissinger back to Foggy Bottom should President Reagan be re-elected.

Henry is the star attraction in Venice at the Cini Foundation's July 14-16 meeting of the Aspen Institute East-West project. The Aspen crowd has been fixated for a year on how to torpedo President Reagan's Strategic Defense Initiative. To make Kissinger's entry into a prospective second Reagan administration more credible, he "favors" the SDI beam-defense systems—as a bargaining chip to be given away to the Russians at the negotiating table!

In the meantime, Kissinger is sure to be getting financial kickbacks for his advocacy of an "independent" European military industry decoupled from the United States. During late June, Kissinger was brought onto the board of a new entity called Euroventures, designed to be the seed-crystal for a European armaments industry, according to insider sources in Italy. The man who sponsored him for this venture, Fiat magnate Gianni Agnelli, spent much of early July in Moscow, making hefty deals with the Soviets.

This seamy side of the "great statesman's" activities fits in with a pattern of outrageous new legal attacks on the European friends of U.S. presidential candidate Lyndon LaRouche, who reached tens of millions of Americans in his ten nationwide half-hour television broadcasts since January with the message that Henry Kissinger is a "Soviet agent of influence." After Dr. K. was in Paris, Jacques Soustelle activated a threatened lawsuit against LaRouche co-thinkers in France. In Italy, Prime Minister Bettino Craxi apparently thinks he can extend the life of his shaky government by speeding up a legal witchhunt against LaRouche collaborator Fiorella Operto over a political poster that targeted both Craxi and Kissinger.

It is not a foregone conclusion that Kissinger will succeed, however. LaRouche's saturation TV barrage against him has lowered Kissinger's influence in Washington, D.C. by an estimated 40%.

In just eight weeks before the Fourth of July holiday, 125,000 signatures were gathered on a petition to oust Kissinger from all policy making in the United States and Western Europe, and these were presented at the founding conference of the Schiller Institute in Arlington, Virginia.

It is because of this that Kissinger is viewed even by his partisans as a liability, and the "Kissinger for Secretary of State" committee is a clandestine outfit. The rapid pace of growth of the anti-Kissinger mass movement is the best chance our civilization has to survive.

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